SENATE—*Monday, September 29, 1997*

The Senate met at 12 noon, and was called to order by the President pro tempore [Mr. THURMOND].

PRAYER

The Chaplain, Dr. Lloyd John Ogilvie, offered the following prayer:

God of all nations, Father of every tribe, color, and tongue of humankind, You have created us to live at peace with one another in Your family. You have revealed to us Your desire that all Your children should be free to worship You. Here in America, freedom of religion is a basic fabric of our life. Sadly, this freedom is not enjoyed in so many places in our world. We are grieved by the shocking accounts of religious persecution. Prejudice expressed in hostility and then in hatred and violence exists throughout the world. Yesterday, millions joined in an International Day of Prayer for the Persecuted Church. As we think of the needs, pain, and suffering inflicted on Christians because of their faith, we are reminded of all forms of intolerance over religion in the world. We remember the suffering of the Jews in this century. Forgive any prejudice in our own hearts and purge from us any vestige of imperious judgmentalism of people whose expression of faith in You differs from our own. We pray for tolerance in the human family. Through our Lord and Saviour. Amen.

RECOGNITION OF THE MAJORITY LEADER

The PRESIDENT pro tempore. The able majority leader is recognized.

SCHEDULE

Mr. LOTT. Mr. President, today the Senate will resume consideration of S. 25, the pending campaign finance reform bill.

As a reminder to all Senators, no votes will occur during today's session of the Senate. The next vote will occur 11 a.m. on Tuesday, September 30, on the motion to invoke cloture on the Coats amendment regarding scholarships. That amendment is to the District of Columbia appropriations bill, which is the last appropriations bill that we need to pass through the Senate for this fiscal year. It is hoped that the Senate will be able to complete action on the D.C. appropriations bill on Tuesday, although there are still some amendments that are being negotiated that could require more time, maybe even another cloture vote. I hope it will be worked out, though. Also during Tuesday's session of the Senate, the Senate will consider the continuing resolution. As Members are aware, we have been able to make good progress on the appropriations bills, so it is hoped that the continuing resolution and the remaining appropriations conference reports can be acted upon in a timely manner. We don't know of any problem with the continuing resolution. We think and we hope that it will be a clean CR, with a limited amount of time for debate, although we have not worked out those details yet. I will discuss it with the minority leader and we will advise the Members as to how much time would be required there.

With those things in mind, Members can anticipate votes throughout the day on Tuesday. With regard to the pending campaign finance reform bill, I encourage all Members to come to the floor and participate in this important debate. We will have time throughout this week, even though we will, of course, be affected, regarding how much time we can use toward the end of the week on this debate, by the Jewish religious holiday. We still need to work with those that would be needing leave to go to their respective States, as to how we will deal with that on Thursday and Friday. We will work that out.

As I announced last week, there will be no votes after 1 p.m. on Wednesday in observance of the Jewish holiday. However, the Senate will remain in session as is necessary in order for Members to fully debate S. 25. Still, we will need to talk about exactly how we will do that to make sure we are not inconveniencing any Senator that would need to be away for the Jewish holiday who would also like to be involved in that debate. We will work that through as the week goes on.

Mr. President, I believe now we are ready for the reporting of S. 25 by the clerk and the modification by Senator MCCAIN.

BIPARTISAN CAMPAIGN REFORM ACT OF 1997

The PRESIDING OFFICER (Mr. KYL). Under the previous order, the Senate will now resume consideration of S. 25 which the clerk will report.

The assistant legislative clerk read as follows:

A bill (S. 25) to reform the financing of Federal elections.

The Senate resumed consideration of the bill.

Mr. MCCAIN. Mr. President, I would like to ask the majority leader a question before I send a modification to the desk. Maybe I can discuss this with him on the floor.

It is not clear to me as to what his plans are for the following week. I understand tomorrow is taken up with conference reports and other business. As he said, we would go back on Wednesday to debate S. 25 with the modification. And then would it be his intention to begin votes later this week, or the following week? I know it is a little hard to tell, but I wonder if maybe we should have some discussion off the floor on this issue.

Mr. LOTT. Mr. President, if the Senator will yield so that I may make a comment on that, I hope, first, that we will have some time on Tuesday of this week, before or after, during some of the votes that may be occurring on the continuing resolution, as well as the appropriations conference reports. I hope that most of those won't take a lot of time. We will have some time for debate tomorrow. But until we see exactly what will be available and how much time is needed on the CR, we won't know for sure. But we will find that out, hopefully, today and we will confer with the leadership on both sides of the aisle, as well as the Senators interested in this bill.

I had hoped that we could also have some debate on Wednesday afternoon, even though we would not have any votes after 1 o'clock. But we would still have debate up until about 4 o'clock, and then Thursday is open. We don't want to, in any way, infringe on the religious holiday. So we will need to talk that through. We could have some debate on Thursday and, of course, we can, and I assume will, have some debate Friday. We want to talk that through to make sure everybody is comfortable with that.

My hope is that we could continue debate on Monday the 6th and begin having votes on Tuesday, and the possibility also on Wednesday. But, again, we need to go and get started with debate and see how that is going to stack up, and we will talk about that. It is a little bit broken up because of the religious holiday, but we want to have full time for debate, and we will start votes after that. That was my thinking.

Mr. MCCAIN. I thank the majority leader. I think that clarifies a great deal. I also appreciate his sensitivity to those who have to be home at this holiday season. I know my colleague from Wisconsin and other Senators who need to be involved in this issue. I want to thank the majority leader for what seems to me to be a generous amount of time for debate and discussion of this issue.

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.

AUTHENTICATED U.S. GOVERNMENT INFORMATION GPO

Mr. President, in just a few moments, I will lay before the Senate the modified version of the McCain-Feingold campaign finance reform bill. After I do so, the leader will be recognized to offer an amendment to the bill. Therefore, I wanted to take a few minutes before that action occurs to speak briefly to the modification.

First, I want to thank my cosponsors and allies in this fight. Senator THOMPSON and Senator COLLINS have played crucial roles as we moved forward on this matter. Their steadfast support, advice, and friendship is greatly appreciated.

But more than anybody, I want to thank my friend from the other side of the aisle, the Senator from Wisconsin, RUSS FEINGOLD. I do not believe that when he and I first sat down and began a discussion on this matter that we would be where are today—engaged in a historic battle to reform the electoral system of this great Nation. My friend, as he is indeed my friend, has been steadfast in his commitment and his belief in this cause and I want to state for the RECORD that I am grateful he is my ally in this fight.

Mr. President, I want to briefly highlight again what the modified bill does and does not do. This is not a big government solution. The modified test is just over 50 pages long.

The defenders of the status quo are not defending an unbridled, unregulated bastion of free speech. The Federal Election Campaign Act, known as FECA, governs Federal elections today.

Elections are regulated today. They need to be regulated. We do not want corporations, unions, or wealthy individuals to buy and sell elections. This is not a country where a royal class controls the Government. No one here wants corporations to give directly to campaigns. The fact is that at certain times and certain places, there is a role for some regulation and restraint in order to protect the greater public good.

Title I of the modified bill seeks to reduce the influence of special interest money in campaigns by banning the use of soft money in Federal races. Soft money would be allowed to be contributed to State parties in accordance with State law.

We do, however, seek to differentiate between State and Federal activities. Soft money contributed to State parties could be used for any and all State candidate activities. Let me repeat that statement. Soft money given to the State parties could be used for any State electioneering activities.

If a State allows soft money to be used in a gubernatorial race, a State senate race, or the local sheriff's race, it would still be allowed under this bill. However, if a State party seeks to use soft money to indirectly influence a Federal race, such activity would be banned 120 days prior to the general election. Using such funds to finance voter registration activities would be allowed except during the 120 days prior to the election.

Voter registration efforts are very important. I know my colleagues recognize that fact. We want individuals to register and then to vote. This bill recognizes that fact and allows parties to engage in voter registration activities. Additionally, State parties would be allowed, within limits, to engage in generic party advertising. These activities help build the party and encourage people to vote.

To make up for the loss of soft money, the modified bill doubles the limit that individuals can give to State parties in hard money. Consequently, the aggregate contribution limit for hard money that individuals could donate to political races would rise to $30,000.

Title II of the modified bill seeks to limit the role of independent expenditures in political campaigns.

Mr. President, I think we ought to pay attention to this part of it because, over the weekend, it seems to be the attack point for various pundits and those throughout the Nation, most of whom by the way have not seen the bill.

The bill in no way bans, curbs, or seeks to control real, independent, noncoordinated expenditures in any manner. Additionally, if hard money—money that is recorded and traceable—is used, then there are no restrictions of any kind on advertising.

Let me repeat that fact. This bill in no way restricts any message or any use of the airwaves. It does however place limits and controls on expenditures if certain kinds of money are used to fund such activity.

Any independent expenditure made to advocate any cause, with the exception of the express advocacy of a candidate's victory or defeat, is fully allowed. To do any thing else would violate the first amendment.

However, the bill does expand the definition of express advocacy. The courts have routinely ruled that the Congress may define express advocacy. In fact, current standards of express advocacy have been derived from the Buckley case itself.

As we all know, the Supreme Court case of Buckley versus Valeo stated that campaign spending cannot be mandatorily capped. This bill is fully consistent with the Buckley decision. I ask unanimous consent that a letter signed by 126 legal scholars expressing support for the constitutionality of this bill be printed in the RECORD at this time.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

BRENNAN CENTER FOR JUSTICE,
New York, NY, September 22, 1997.

Senator JOHN MCCAIN,
Senator RUSSELL FEINGOLD,
U.S. Senate, Washington, DC.

DEAR SENATORS MCCAIN AND FEINGOLD: We are academics who have studied and written about the First Amendment to the United States Constitution. We submit this letter to respond to a series of recent public challenges to two components of S. 25, the McCain-Feingold bill. Critics have argued that it is unconstitutional to close the so-called "soft money loophole" by placing restrictions on the source and amount of campaign contributions to political parties. Critics have also argued that it is unconstitutional to offer candidates benefits, such as reduced broadcasting rates, in return for their commitment to cap campaign spending. We are deeply committed to the principles underlying the First Amendment and believe strongly in preserving free speech and association in our society, especially in the realm of politics. We are not all of the same mind on how best to address the problems of money and politics; indeed, we do not all agree on the constitutionality of various provisions of the McCain-Feingold bill itself. Nor are we endorsing every aspect of the bill's soft money and voluntary spending limits provisions. We all agree, however, that the current debate on the merits of campaign finance reform is being sidetracked by the argument that the Constitution stands in the way of a ban on unlimited contributions to political parties and a voluntary spending limits scheme based on offering inducements such as reduced media time.

I. LIMITS ON ENORMOUS CAMPAIGN CONTRIBUTIONS TO POLITICAL PARTIES FROM CORPORATIONS, LABOR UNIONS, AND WEALTHY CONTRIBUTORS ARE CONSTITUTIONAL

To prevent corruption and the appearance of corruption, federal law imposes limits on the source and amount of money that can be given to candidates and political parties "in connection with" federal elections. The money raised under these strictures is commonly referred to as "hard money." Since 1907, federal law has prohibited corporations from making hard money contributions to candidates or political parties. See 2 U.S.C. §441b(a) (current codification). In 1947, that ban was extended to prohibit union contributions as well. Id. Individuals, too, are subject to restrictions in their giving of money to influence federal elections. The Federal Election Campaign Act ("FECA") limits an individual's contributions to (1) $1,000 per election to a federal candidate; (2) $20,000 per year to national political party committees; and (3) $5,000 per year to any other political committee, such as a PAC or a state political party committee. 2 U.S.C. §441a(a)(1). Individuals are also subject to a $25,000 annual limit on the total of all such contributions. Id. §441a(a)(3).

The soft money loophole was created not by Congress, but by a Federal Election Commission ("FEC") ruling in 1978 that opened a seemingly modest door to allow non-regulated contributions to political parties, so long as the money was used for grassroots campaign activity, such as registering voters and get-out-the-vote efforts. These unregulated contributions are known as "soft money" to distinguish them from the hard money raised under FECA's strict limits. In the years since the FEC's ruling, this modest opening has turned into an enormous loophole that threatens the integrity of the regulatory system. In the last presidential elections, soft money contributions soared to the

unprecedented figure of $263 million. It was not merely the total amount of soft money contributions that was unprecedented, but the size of the contributions as well, with donors being asked to give amounts $100,000, $250,000 or more to gain preferred access to federal officials. Moreover, the soft money raised is, for the most part, not being spent to bolster party grassroots organizing. Rather, the funds are often solicited by federal candidates and used for media advertising clearly intended to influence federal elections. In sum, soft money has become an end run around the campaign contribution limits, creating a corrupt system in which monied interests appear to buy access to, and inappropriate influence with, elected officials.

The McCain-Feingold bill would ban soft money contributions to national political parties, by requiring that all contributions to national parties be subject to FECA's hard money restrictions. The bill also would bar federal officeholders and candidates for such offices from soliciting, receiving, or spending soft money and would prohibit state and local political parties from spending soft money during a federal election year for any activity that might affect a federal election (with exceptions for specified activities that are less likely to impact on federal elections).

We believe that such restrictions are constitutional. The soft money loophole has raised the specter of corruption stemming from large contributions (and those from prohibited sources) that led Congress to enact the federal contribution limits in the first place. In Buckley v. Valeo, the Supreme Court held that the government has a compelling interest in combating the appearance and reality of corruption, an interest that justifies restricting large campaign contributions in federal elections. 424 U.S. 1, 23–29 (1976). Significantly, the Court upheld the $25,000 annual limit on an individual's total contributions in connection with federal elections. Id. at 26–29, 38. In later cases, the Court rejected the argument that corporations have a right to use their general treasury funds to influence elections. See, e.g., Austin v. Michigan Chamber of Commerce, 494 U.S. 652 (1990). Under Buckley and its progeny, Congress clearly possesses power to close the soft money loophole by restricting the source and size of contributions to political parties, just as it does for contributions to candidates, for use in connection with federal elections.

Moreover, Congress has the power to regulate the source of the money used for expenditures by state and local parties during federal election years when such expenditures are used to influence federal elections. The power of Congress to regulate federal elections to prevent fraud and corruption includes the power to regulate conduct which, although directed at state or local elections, also has an impact on federal races. During a federal election year, a state or local political party's voter registration or get-out-the-vote drive will have an effect on federal elections. Accordingly, Congress may require that during a federal election year state and local parties' expenditures for such activities be made from funds raised in compliance with FECA so as not to undermine the limits therein.

Any suggestion that the recent Supreme Court decision in Colorado Republican Federal Campaign Committee v. FEC, 116 S. Ct. 2309 (1996), casts doubt on the constitutionality of a soft money ban is flatly wrong. Colorado Republican did not address the constitutionality of banning soft money contributions, but rather the expenditures by political parties of hard money, that is, money raised in accordance with FECA's limits. Indeed, the Court noted that it "could understand how Congress, were it to conclude that the potential for evasion of the individual contribution limits was a serious matter, might decide to change the statute's limitations on contributions to political parties." Id. at 2316.

In fact, the most relevant Supreme Court decision is not Colorado Republican, but Austin v. Michigan Chamber of Commerce, in which the Supreme Court held that corporations can be walled off from the electoral process by forbidding both contributions and independent expenditures from general corporate treasuries. 494 U.S. at 657–61. Surely, the law cannot be that Congress has the power to prevent corporations from giving money directly to a candidate, or from expending money on behalf of a candidate, but lacks the power to prevent them from pouring unlimited funds into a candidate's political party in order to buy preferred access to him after the election.

Accordingly, closing the loophole for soft money contributions is in line with the longstanding and constitutional ban on corporate and union contributions in federal elections and with limits on the size of individuals' contributions to amounts that are not corrupting.

II. EFFORTS TO PERSUADE CANDIDATES TO LIMIT CAMPAIGN SPENDING VOLUNTARILY BY PROVIDING THEM WITH INDUCEMENTS LIKE FREE TELEVISION TIME ARE CONSTITUTIONAL

The McCain-Feingold bill would also invite candidates to limit campaign spending in return for free broadcast time and reduced broadcast and mailing rates. In Buckley, the Court explicitly declared that "Congress . . . may condition acceptance of public funds on an agreement by the candidate to abide by specified expenditure limitations." 424 U.S. at 56 n.65. The Court explained: "Just as a candidate may voluntarily limit the size of the contributions he chooses to accept, he may decide to forgo private fundraising and accept public funding." Id.

That was exactly the Buckley Court's approach when it upheld the constitutionality of the campaign subsidies to Presidential candidates in return for a promise to limit campaign spending. At the time, the subsidy to Presidential nominees was $20 million, in return for which Presidential candidates agreed to cap expenditures at that amount and raise no private funds at all. The subsidy is now worth over $60 million and no Presidential nominee of a major party has ever turned down the subsidy.

In effect, the critics argue that virtually any inducement offered to a candidate to persuade her to limit campaign spending is unconstitutional as a form of indirect "coercion." But the Buckley Court clearly distinguished between inducements designed to elicit a voluntary decision to limit spending and coercive mandates that impose involuntary spending ceilings. If giving a Presidential candidate a $60 million subsidy is a constitutional inducement, surely providing free television time and reduced postal rates falls into the same category of acceptable inducement. The lesson from Buckley is that merely because a deal is too good to pass up does not render it unconstitutionally "coercive."

Respectfully submitted,

RONALD DWORKIN,
Professor of Jurisprudence and Fellow of University College at Oxford University; Frank H. Sommer Professor of Law, New York University School of Law.

BURT NEUBORNE,
John Norton Pomeroy Professor of Law, Legal Director, Brennan Center for Justice, New York University School of Law.

Mr. McCAIN. What the modified bill seeks to do is establish a so-called bright line test 60 days out from an election. Any independent expenditures that fall within that 60-day window could not use a candidate's name or his or her likeness. During this 60-day period, ads could run that advocate any number of issues. Pro-life ads, pro-choice ads, antilabor ads, prowilderness ads, pro-Republican party or Democratic party ads—all could be aired without restriction. However, ads mentioning candidates themselves could not be aired.

This accomplishes much. First, if soft money is banned to the political parties, such money will inevitably flow to independent campaign organizations. These groups often run ads that the candidates themselves disapprove of. Further, these ads are almost always negative attack ads and do little to further beneficial debate and a healthy political dialog. To be honest, they simply drive up an individual candidate's negative polling numbers and increase public cynicism for public service in general.

The modified bill explicitly protects voter guides. I believe this is a very important point. Some have unfairly criticized the original bill because they thought it banned or prohibited the publication and distribution of voter guides and voting records. While I disagree with those individual's conclusions, the sponsors of the modified bill sought to clarify this matter.

Let me state that voter guides are completely protected in the modified bill. Any statements to the contrary are simply not true.

Some of my colleagues have voiced concern about the 60-day bright line test as being arbitrary. They have noted that different standards would exist prior to 60 days out. They are right. But what is their point. Election law is riddled with deadlines and time frames. When a candidate runs for office, he or she must file papers by a certain date. In order to appear on the ballot, certain deadlines must be met, certain events must occur. What is their point. Would they advocate abolishing all time frames and just let elections occur as spontaneous events? I don't think so.

I hope that we will not allow our attention to be distracted from the real issues at hand—how to raise the tenor of the debate in our elections and give

people real choices. No one benefits from negative ads. They don't aid our Nation's political dialog. Again, if someone chooses to run negative ads, this bill will not restrict their right to do so. But we should not just throw up our hands and say, "Who cares?" We should seek, within the protections of the Constitution, to encourage a healthy political debate.

I believe that in 1994 it was not better funding and more money that gave Republicans victory; it was better and more ideas. If money was the key to Republican victory, why then did it take so long?

I am very serious about this point. Some have stated that money helps equalize the Republican Party's ability to win elections due to the liberal press. If that is true, then why didn't it work? Since 1974, when we last reformed the campaign finance system, throughout the 1970's and 1980's and 1990's, Republicans routinely have outraised and outspent Democrats. Yet, with the exception of 1980 to 1986 in the Senate, we did not control the Congress. I would argue that the 6 years in which we controlled the Senate during the 1980's was due to the strength and leadership of Ronald Reagan; not our ability to spend.

When we took over the Congress in 1994—and I say this not to agitate my Democrat colleagues—it was not due to money. It was due to our superior ideas. It was due to the Contract With America. It was due to a fundamental change in the views of the American electorate. It was not due to a spate of negative campaign advertising.

Title III of the modified bill mandates greater disclosure. Our bill mandates that all FEC filings documenting campaign receipts and expenditures be made electronically and that they then be made accessible to the public on the Internet not later than 24 hours after the information is received by the Federal Election Commission.

Additionally, current law allows for campaigns to make a "best effort" to obtain the name, address, and occupation information of the donors, et cetera. The bill also mandates random audits of campaigns. Such audits would only occur after an affirmative vote of at least four of the six members of the FEC. This will prevent the use of audits as a purely partisan attack.

Title IV seeks to encourage individuals to limit the amount of personal money they spend on their own campaigns. If an individual voluntarily elects to limit the amount of money he or she spends in his or her race to $50,000, then the national parties are able to use funds known as "coordinated expenditures" to aid such candidates. If candidates refuse to limit their own personal spending, the parties are prohibited from contributing coordinated funds to the candidate.

This serves to limit the advantage that wealthy candidates enjoy and strengthens the party system by encouraging candidates to work more closely with the parties.

Lastly, the bill codifies the Beck decision, which states that nonunion employees in a closed-shop union workplace who are required to contribute funds to the union can request and ensure that his or her money not be used for political purposes.

I personally support stronger language. I believe no individual should be forced to contribute to political activities. However, I recognize stronger language would invite a filibuster of this bill and would doom its final passage.

Mr. President, what I have outlined is a basic summary of our modification to the original bill.

I have heard many colleagues say that they could not support S. 25, the original McCain-Feingold bill, for a wide variety of reasons. Some oppose spending limits. Others oppose free or reduced rate broadcast time. Yet others could not live with postal subsidies to candidates, and others complain that nothing was being done about labor.

Again, as I stated in the opening debate on Friday, I hope all of my colleagues who made such statements will take a new and openminded look at this bill. Gone are spending limits. Gone is free broadcast time. Gone are reduced rate TV time and postal subsidies. We have sought to address the problem of undue influence being exercised by the labor unions. All of the excuses of the past are gone.

Mr. President, let me close again by emphasizing that the sponsors of this legislation have but one purpose—to enact a fair, bipartisan campaign reform that seeks no advantage for one party or the other but only seeks to find common ground upon which we can all agree to pass the best, most balanced, and most important reform we have ever had.

All we ask of our colleagues is that they approach this debate with the same purpose in mind.

To those who accuse the opponents of this bill of being unyielding in their opposition to any reform, let me recite the words of my friend from Kentucky from an op-ed piece he wrote for the Washington Post in 1993. My friend, Senator MCCONNELL from Kentucky, said:

"The truth is that Republicans support a ban on all soft money," Senator MCCONNELL wrote, "regardless of whether it benefits Republicans or Democrats."

Let me repeat that.

"The truth is that Republicans support a ban on all soft money," Senator MCCONNELL wrote, "regardless of whether it benefits Republicans or Democrats."

The Senator went on to identify himself and the Republican Party with the advocates of reform:

Truly campaign finance reform is needed—

truly campaign finance reform is needed—

but it should not have to cost the taxpayers, and it does not have to include spending limits. If we are going to pass a meaningful bipartisan campaign finance bill, we must drop the roadblocks to reform: taxpayers financing and spending limits.

Mr. President, I say to my friend from Kentucky that, as a sign of our good faith, the sponsors of this bill have listened to his objections, and we have dropped the provisions which he once criticized as roadblocks. Moreover, we share Senator MCCONNELL's view that soft money must be banned.

I would say that we are very close to the proposed reforms that Senator MCCONNELL proposed in 1993. We pled with our colleagues not to use the amendment process only to kill the prospects for real reform by offering amendments intended to be, as Senator MCCONNELL put it, "roadblocks" to reform.

If Senator MCCONNELL is as sincere in proposing reforms as he was a few years ago—which I do not doubt—work with us to resolve our very few remaining differences and help us reach our common goal of genuine campaign finance reform.

MODIFICATION TO S. 25

Mr. MCCAIN. Mr. President, I send the modification to the desk.

The PRESIDING OFFICER. The bill is so modified.

The modification is as follows:

Strike all after the enacting clause and insert the following:

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the "Bipartisan Campaign Reform Act of 1997".

(b) TABLE OF CONTENTS.—The table of contents of this Act is as follows:

Sec. 1. Short title; table of contents.

TITLE I—REDUCTION OF SPECIAL INTEREST INFLUENCE

Sec. 101. Soft money of political parties.
Sec. 102. Increased contribution limits for State committees of political parties and aggregate contribution limit for individuals.
Sec. 103. Reporting requirements.

TITLE II—INDEPENDENT AND COORDINATED EXPENDITURES

Sec. 201. Definitions.
Sec. 202. Civil penalty.
Sec. 203. Reporting requirements for certain independent expenditures.
Sec. 204. Independent versus coordinated expenditures by party.
Sec. 205. Coordination with candidates.

TITLE III—DISCLOSURE

Sec. 301. Filing of reports using computers and facsimile machines; filing by Senate candidates with Commission.
Sec. 302. Prohibition of deposit of contributions with incomplete contributor information.
Sec. 303. Audits.
Sec. 304. Reporting requirements for contributions of $50 or more.
Sec. 305. Use of candidates' names.

Sec. 306. Prohibition of false representation to solicit contributions.
Sec. 307. Soft money of persons other than political parties.
Sec. 308. Campaign advertising.
TITLE IV—PERSONAL WEALTH OPTION
Sec. 401. Voluntary personal funds expenditure limit.
Sec. 402. Political party committee coordinated expenditures.
TITLE V—MISCELLANEOUS
Sec. 501. Codification of Beck decision.
Sec. 502. Use of contributed amounts for certain purposes.
Sec. 503. Limit on congressional use of the franking privilege.
Sec. 504. Prohibition of fundraising on Federal property.
Sec. 505. Penalties for knowing and willful violations.
Sec. 506. Strengthening foreign money ban.
Sec. 507. Prohibition of contributions by minors.
Sec. 508. Expedited procedures.
Sec. 509. Initiation of enforcement proceeding.
TITLE VI—SEVERABILITY; CONSTITUTIONALITY; EFFECTIVE DATE; REGULATIONS
Sec. 601. Severability.
Sec. 602. Review of constitutional issues.
Sec. 603. Effective date.
Sec. 604. Regulations.

TITLE I—REDUCTION OF SPECIAL INTEREST INFLUENCE

SEC. 101. SOFT MONEY OF POLITICAL PARTIES.

Title III of the Federal Election Campaign Act of 1971 (2 U.S.C. 431 et seq.) is amended by adding at the end the following:

"SEC. 324. SOFT MONEY OF POLITICAL PARTIES.

"(a) NATIONAL COMMITTEES.—

"(1) IN GENERAL.—A national committee of a political party (including a national congressional campaign committee of a political party) and any officers or agents of such party committees, shall not solicit, receive, or direct to another person a contribution, donation, or transfer of funds, or spend any funds, that are not subject to the limitations, prohibitions, and reporting requirements of this Act.

"(2) APPLICABILITY.—This subsection shall apply to an entity that is directly or indirectly established, financed, maintained, or controlled by a national committee of a political party (including a national congressional campaign committee of a political party), or an entity acting on behalf of a national committee, and an officer or agent acting on behalf of any such committee or entity.

"(b) STATE, DISTRICT, AND LOCAL COMMITTEES.—

"(1) IN GENERAL.—An amount that is expended or disbursed by a State, district, or local committee of a political party (including an entity that is directly or indirectly established, financed, maintained, or controlled by a State, district, or local committee of a political party and an officer or agent acting on behalf of such committee or entity) for Federal election activity shall be made from funds subject to the limitations, prohibitions, and reporting requirements of this Act.

"(2) FEDERAL ELECTION ACTIVITY.—

"(A) IN GENERAL.—The term 'Federal election activity' means—

"(i) voter registration activity during the period that begins on the date that is 120 days before the date a regularly scheduled Federal election is held and ends on the date of the election;

"(ii) voter identification, get-out-the-vote activity, or generic campaign activity conducted in connection with an election in which a candidate for Federal office appears on the ballot (regardless of whether a candidate for State or local office also appears on the ballot); and

"(iii) a communication that refers to a clearly identified candidate for Federal office (regardless of whether a candidate for State or local office is also mentioned or identified) and is made for the purpose of influencing a Federal election (regardless of whether the communication is express advocacy).

"(B) EXCLUDED ACTIVITY.—The term 'Federal election activity' does not include an amount expended or disbursed by a State, district, or local committee of a political party for—

"(i) campaign activity conducted solely on behalf of a clearly identified candidate for State or local office, provided the campaign activity is not a Federal election activity described in subparagraph (A);

"(ii) a contribution to a candidate for State or local office, provided the contribution is not designated or used to pay for a Federal election activity described in subparagraph (A);

"(iii) the costs of a State, district, or local political convention;

"(iv) the costs of grassroots campaign materials, including buttons, bumper stickers, and yard signs that name or depict only a candidate for State or local office;

"(v) the non-Federal share of a State, district, or local party committee's administrative and overhead expenses (but not including the compensation in any month of an individual who spends more than 20 percent of the individual's time on Federal election activity) as determined by a regulation promulgated by the Commission to determine the non-Federal share of a State, district, or local party committee's administrative and overhead expenses; and

"(vi) the cost of constructing or purchasing an office facility or equipment for a State, District or local committee.

"(c) FUNDRAISING COSTS.—An amount spent by a national, State, district, or local committee of a political party, by an entity that is established, financed, maintained, or controlled by a national, State, district, or local committee of a political party, or by an agent or officer of any such committee or entity, to raise funds that are used, in whole or in part, to pay the costs of a Federal election activity shall be made from funds subject to the limitations, prohibitions, and reporting requirements of this Act.

"(d) TAX-EXEMPT ORGANIZATIONS.—A national, State, district, or local committee of a political party (including a national congressional campaign committee of a political party, an entity that is directly or indirectly established, financed, maintained, or controlled by any such national, State, district, or local committee or its agent, an agent acting on behalf of any such party committee, and an officer or agent acting on behalf of any such party committee or entity), shall not solicit any funds for, or make or direct any donations to, an organization that is described in section 501(c) of the Internal Revenue Code of 1986 and exempt from taxation under section 501(a) of such Code (or has submitted an application to the Secretary of the Internal Revenue Service for determination of tax-exemption under such section).

"(e) CANDIDATES.—

"(1) IN GENERAL.—A candidate, individual holding Federal office, or agent of a candidate or individual holding Federal office shall not solicit, receive, direct, transfer, or spend funds for a Federal election activity on behalf of such candidate individual, agent or any other person unless the funds are subject to the limitations, prohibitions, and reporting requirements of this Act.

"(A) STATE LAW.—Paragraph (1) does not apply to the solicitation or receipt of funds by an individual who is a candidate for a State or local office if the solicitation or receipt of funds is permitted under State law for any activity other than a Fedral election activity.

"(B) FUNDRAISING EVENTS.—Paragraph (1) does not apply in the case of a candidate who attends, speaks, or is a featured guest at a fundraising event sponsored by a State, district, or local committee of a political party.".

SEC. 102. INCREASED CONTRIBUTION LIMITS FOR STATE COMMITTEES OF POLITICAL PARTIES AND AGGREGATE CONTRIBUTION LIMIT FOR INDIVIDUALS.

(a) CONTRIBUTION LIMIT FOR STATE COMMITTEES OF POLITICAL PARTIES.—Section 315(a)(1) of the Federal Election Campaign Act of 1971 (2 U.S.C. 441a(a)(1)) is amended—

(1) in subparagraph (B), by striking "or" at the end;

(2) in subparagraph (C)—

(A) by inserting "(other than a committee described in subparagraph (D))" after "committee"; and

(B) by striking the period at the end and inserting "; or"; and

(3) by adding at the end the following:

"(D) to a political committee established and maintained by a State committee of a political party in any calendar year that, in the aggregate, exceed $10,000".

(b) AGGREGATE CONTRIBUTION LIMIT FOR INDIVIDUAL.—Section 315(a)(3) of the Federal Election Campaign Act of 1971 (2 U.S.C. 441a(a)(3)) is amended by striking "$25,000" and inserting "$30,000".

SEC. 103. REPORTING REQUIREMENTS.

(a) REPORTING REQUIREMENTS.—Section 304 of the Federal Election Campaign Act of 1971 (2 U.S.C. 434) (as amended by section 203) is amended by adding at the end the following:

"(e) POLITICAL COMMITTEES.—

"(1) NATIONAL AND CONGRESSIONAL POLITICAL COMMITTEES.—The national committee of a political party, any national congressional campaign committee of a political party, and any subordinate committee of either, shall report all receipts and disbursements during the reporting period.

"(2) OTHER POLITICAL COMMITTEES TO WHICH SECTION 324 APPLIES.—A political committee (not described in paragraph (1)) to which section 324(b)(1) applies shall report all receipts and disbursements made for activities described in paragraphs (2) and (3)(A)(v) of section 324(b).

"(3) ITEMIZATION.—If a political committee has receipts or disbursements to which this subsection applies from any person aggregating in excess of $200 for any calendar year, the political committee shall separately itemize its reporting for such person in the same manner as required in paragraphs (3)(A), (5), and (6) of subsection (b).

"(4) REPORTING PERIODS.—Reports required to be filed under this subsection shall be filed for the same time periods required for political committees under subsection (a).".

(b) BUILDING FUND EXCEPTION TO THE DEFINITION OF CONTRIBUTION.—Section 301(8)(B) of the Federal Election Campaign Act of 1971 (2 U.S.C. 431(8)(B)) is amended—

(1) by striking clause (viii); and

(2) by redesignating clauses (ix) through (xiv) as clauses (viii) through (xiii), respectively.

TITLE II—INDEPENDENT AND COORDINATED EXPENDITURES

SEC. 201. DEFINITIONS.

(a) DEFINITION OF INDEPENDENT EXPENDITURE.—Section 301 of the Federal Election Campaign Act (2 U.S.C. 431) is amended by striking paragraph (17) and inserting the following:

"(17) INDEPENDENT EXPENDITURE.—

"(A) IN GENERAL.—The term 'independent expenditure' means an expenditure by a person—

"(i) for a communication that is express advocacy; and

"(ii) that is not provided in coordination with a candidate or a candidate's agent or a person who is coordinating with a candidate or a candidate's agent.".

(b) DEFINITION OF EXPRESS ADVOCACY.—Section 301 of the Federal Election Campaign Act of 1971 (2 U.S.C. 431) is amended by adding at the end the following:

"(20) EXPRESS ADVOCACY.—

"(A) IN GENERAL.—The term 'express advocacy' means a communication that advocates the election or defeat of a candidate by—

"(i) containing a phrase such as 'vote for', 're-elect', 'support', 'cast your ballot for', '(name of candidate) for Congress', '(name of candidate) in 1997', 'vote against', 'defeat', 'reject', or a campaign slogan or words that in context can have no reasonable meaning other than to advocate the election or defeat of 1 or more clearly identified candidates;

"(ii) referring to 1 or more clearly identified candidates in a paid advertisement that is broadcast by a radio broadcast station or a television broadcast station within 60 calendar days preceding the date of an election of the candidate and that appears in the State in which the election is occurring, except that with respect to a candidate for the office of Vice President or President, the time period is within 60 calendar days preceding the date of a general election; or

"(iii) expressing unmistakable and unambiguous support for or opposition to 1 or more clearly identified candidates when taken as a whole and with limited reference to external events, such as proximity to an election.

"(B) VOTING RECORD AND VOTING GUIDE EXCEPTION.—The term 'express advocacy' does not include a printed communication that—

"(i) presents information in an educational manner solely about the voting record or position on a campaign issue of 2 or more candidates;

"(ii) that is not made in coordination with a candidate, political party, or agent of the candidate or party; or a candidate's agent or a person who is coordinating with a candidate or a candidate's agent;

"(iii) does not contain a phrase such as 'vote for', 're-elect', 'support', 'cast your ballot for', '(name of candidate) for Congress', '(name of candidate) in 1997', 'vote against', 'defeat', or 'reject', or a campaign slogan or words that in context can have no reasonable meaning other than to urge the election or defeat of 1 or more clearly identified candidates.".

(c) DEFINITION OF EXPENDITURE.—Section 301(9)(A) of the Federal Election Campaign Act of 1971 (2 U.S.C. 431(9)(A)) is amended—

(1) in clause (i), by striking "and" at the end;

(2) in clause (ii), by striking the period at the end and inserting "; and"; and

(3) by adding at the end the following:

"(iii) a payment for a communication that is express advocacy; and

"(iv) a payment made by a person for a communication that—

"(I) refers to a clearly identified candidate;

"(II) is provided in coordination with the candidate, the candidate's agent, or the political party of the candidate; and

"(III) is for the purpose of influencing a Federal election (regardless of whether the communication is express advocacy)."

SEC. 202. CIVIL PENALTY.

Section 309 of the Federal Election Campaign Act of 1971 (2 U.S.C. 437g) is amended—

(1) in subsection (a)—

(A) in paragraph (4)(A)—

(i) in clause (i), by striking "clause (ii)" and inserting "clauses (ii) and (iii)"; and

(ii) by adding at the end the following:

"(iii) If the Commission determines by an affirmative vote of 4 of its members that there is probable cause to believe that a person has made a knowing and willful violation of section 304(c), the Commission shall not enter into a conciliation agreement under this paragraph and may institute a civil action for relief under paragraph (6)(A)."; and

(B) in paragraph (6)(B), by inserting "(except an action instituted in connection with a knowing and willful violation of section 304(c))" after "subparagraph (A)"; and

(2) in subsection (d)(1)—

(A) in subparagraph (A), by striking "Any person" and inserting "Except as provided in subparagraph (D), any person"; and

(B) by adding at the end the following:

"(D) In the case of a knowing and willful violation of section 304(c) that involves the reporting of an independent expenditure, the violation shall not be subject to this subsection.".

SEC. 203. REPORTING REQUIREMENTS FOR CERTAIN INDEPENDENT EXPENDITURES.

Section 304(c) of the Federal Election Campaign Act of 1971 (2 U.S.C. 434(c)) is amended—

(1) in paragraph (2), by striking the undesignated matter after subparagraph (C);

(2) by redesignating paragraph (3) as paragraph (7); and

(3) by inserting after paragraph (2) (as amended by paragraph (1)) the following:

"(d) TIME FOR REPORTING CERTAIN EXPENDITURES.—

"(1) EXPENDITURES AGGREGATING $1,000.—

"(A) INITIAL REPORT.—A person (including a political committee) that makes or contracts to make independent expenditures aggregating $1,000 or more after the 20th day, but more than 24 hours, before the date of an election shall file a report describing the expenditures within 24 hours after that amount of independent expenditures has been made.

"(B) ADDITIONAL REPORTS.—After a person files a report under subparagraph (A), the person shall file an additional report within 24 hours after each time the person makes or contracts to make independent expenditures aggregating an additional $1,000 with respect to the same election as that to which the initial report relates.

"(2) EXPENDITURES AGGREGATING $10,000.—

"(A) INITIAL REPORT.—A person (including a political committee) that makes or contracts to make independent expenditures aggregating $10,000 or more at any time up to and including the 20th day before the date of an election shall file a report describing the expenditures within 48 hours after that amount of independent expenditures has been made.

"(B) ADDITIONAL REPORTS.—After a person files a report under subparagraph (A), the person shall file an additional report within 48 hours after each time the person makes or contracts to make independent expenditures aggregating an additional $10,000 with respect to the same election as that to which the initial report relates.

"(3) PLACE OF FILING; CONTENTS.—A report under this subsection—

"(A) shall be filed with the Commission; and

"(B) shall contain the information required by subsection (b)(6)(B)(iii), including the name of each candidate whom an expenditure is intended to support or oppose.".

SEC. 204. INDEPENDENT VERSUS COORDINATED EXPENDITURES BY PARTY.

Section 315(d) of the Federal Election Campaign Act (2 U.S.C. 441a(d)) is amended—

(1) in paragraph (1), by striking "and (3)" and inserting ", (3), and (4)"; and

(2) by adding at the end the following:

"(4) INDEPENDENT VERSUS COORDINATED EXPENDITURES BY PARTY.—

"(A) IN GENERAL.—On or after the date on which a political party nominates a candidate, a committee of the political party shall not make both expenditures under this subsection and independent expenditures (as defined in section 301(17)) with respect to the candidate during the election cycle.

"(B) CERTIFICATION.—Before making a coordinated expenditure under this subsection with respect to a candidate, a committee of a political party shall file with the Commission a certification, signed by the treasurer of the committee, that the committee has not and shall not make any independent expenditure with respect to the candidate during the same election cycle.

"(C) APPLICATION.—For the purposes of this paragraph, all political committees established and maintained by a national political party (including all congressional campaign committees) and all political committees established and maintained by a State political party (including any subordinate committee of a State committee) shall be considered to be a single political committee.

"(D) TRANSFERS.—A committee of a political party that submits a certification under subparagraph (B) with respect to a candidate shall not, during an election cycle, transfer any funds to, assign authority to make coordinated expenditures under this subsection to, or receive a transfer of funds from, a committee of the political party that has made or intends to make an independent expenditure with respect to the candidate.".

SEC. 205. COORDINATION WITH CANDIDATES.

(a) DEFINITION OF COORDINATION WITH CANDIDATES.—

(1) SECTION 301(8).—Section 301(8) of the Federal Election Campaign Act of 1971 (2 U.S.C. 431(8)) is amended—

(A) in subparagraph (A)—

(i) by striking "or" at the end of clause (i);

(ii) by striking the period at the end of clause (ii) and inserting "; or"; and

(iii) by adding at the end the following:

"(iii) anything of value provided by a person in coordination with a candidate for the purpose of influencing a Federal election, regardless of whether the value being provided is a communication that is express advocacy, in which such candidate seeks nomination or election to Federal office."; and

(B) by adding at the end the following:

"(C) The term 'provided in coordination with a candidate' includes—

"(i) a payment made by a person in cooperation, consultation, or concert with, at the request or suggestion of, or pursuant to any general or particular understanding with

a candidate, the candidate's authorized committee, or an agent acting on behalf of a candidate or authorized committee;

"(ii) a payment made by a person for the production, dissemination, distribution, or republication, in whole or in part, of any broadcast or any written, graphic, or other form of campaign material prepared by a candidate, a candidate's authorized committee, or an agent of a candidate or authorized committee (not including a communication described in paragraph (9)(B)(i) or a communication that expressly advocates the candidate's defeat);

"(iii) a payment made by a person based on information about a candidate's plans, projects, or needs provided to the person making the payment by the candidate or the candidate's agent who provides the information with the intent that the payment be made;

"(iv) a payment made by a person if, in the same election cycle in which the payment is made, the person making the payment is serving or has served as a member, employee, fundraiser, or agent of the candidate's authorized committee in an executive or policymaking position;

"(v) a payment made by a person if the person making the payment has served in any formal policy making or advisory position with the candidate's campaign or has participated in formal strategic or formal policymaking discussions with the candidate's campaign relating to the candidate's pursuit of nomination for election, or election, to Federal office, in the same election cycle as the election cycle in which the payment is made;

"(vi) a payment made by a person if, in the same election cycle, the person making the payment retains the professional services of any person that has provided or is providing campaign-related services in the same election cycle to a candidate in connection with the candidate's pursuit of nomination for election, or election, to Federal office, including services relating to the candidate's decision to seek Federal office, and the person retained is retained to work on activities relating to that candidate's campaign;

"(vii) a payment made by a person who has engaged in a coordinated activity with a candidate described in clauses (i) through (vi) for a communication that clearly refers to the candidate and is for the purpose of influencing an election (regardless of whether the communication is express advocacy);

"(viii) direct participation by a person in fundraising activities with the candidate or in the solicitation or receipt of contributions on behalf of the candidate;

"(ix) communication by a person with the candidate or an agent of the candidate, occuring after the declaration of candidacy (including a pollster, media consultant, vendor, advisor, or staff member), acting on behalf of the candidate, about advertising message, allocation of resources, fundraising, or other campaign matters related to the candidate's campaign, including campaign operations, staffing, tactics, or strategy; or

"(x) the provision of in-kind professional services or polling data to the candidate or candidate's agent.

"(D) For purposes of subparagraph (C), the term 'professional services' includes services in support of a candidate's pursuit of nomination for election, or election, to Federal office such as polling, media advice, direct mail, fundraising, or campaign research.

"(E) For purposes of subparagraph (C), all political committees established and maintained by a national political party (including all congressional campaign committees) and all political committees established and maintained by a State political party (including any subordinate committee of a State committee) shall be considered to be a single political committee.".

(2) SECTION 315(a)(7).—Section 315(a)(7) (2 U.S.C. 441a(a)(7)) is amended by striking subparagraph (B) and inserting the following:

"(B) a thing of value provided in coordination with a candidate, as described in section 301(8)(A)(iii), shall be considered to be a contribution to the candidate, and in the case of a limitation on expenditures, shall be treated as an expenditure by the candidate.

(b) MEANING OF CONTRIBUTION OR EXPENDITURE FOR THE PURPOSES OF SECTION 316.—Section 316(b)(2) of the Federal Election Campaign Act of 1971 (2 U.S.C. 441b(b)) is amended by striking "shall include" and inserting "includes a contribution or expenditure, as those terms are defined in section 301, and also includes".

TITLE III—DISCLOSURE

SEC. 301. FILING OF REPORTS USING COMPUTERS AND FACSIMILE MACHINES; FILING BY SENATE CANDIDATES WITH COMMISSION.

(a) USE OF COMPUTER AND FACSIMILE MACHINE.—Section 302(a) of the Federal Election Campaign Act of 1971 (2 U.S.C. 434(a)) is amended by striking paragraph (11) and inserting the following:

"(11)(A) The Commission shall promulgate a regulation under which a person required to file a designation, statement, or report under this Act—

"(i) is required to maintain and file a designation, statement, or report for any calendar year in electronic form accessible by computers if the person has, or has reason to expect to have, aggregate contributions or expenditures in excess of a threshold amount determined by the Commission; and

"(ii) may maintain and file a designation, statement, or report in electronic form or an alternative form, including the use of a facsimile machine, if not required to do so under the regulation promulgated under clause (i).

"(B) The Commission shall make a designation, statement, report, or notification that is filed electronically with the Commission accessible to the public on the Internet not later than 24 hours after the designation, statement, report, or notification is received by the Commission.

"(C) In promulgating a regulation under this paragraph, the Commission shall provide methods (other than requiring a signature on the document being filed) for verifying designations, statements, and reports covered by the regulation. Any document verified under any of the methods shall be treated for all purposes (including penalties for perjury) in the same manner as a document verified by signature.".

(b) SENATE CANDIDATES FILE WITH COMMISSION.—Title III of the Federal Election Campaign Act of 1971 (2 U.S.C. 431 et seq.) is amended—

(1) in section 302, by striking subsection (g) and inserting the following:

"(g) FILING WITH THE COMMISSION.—All designations, statements, and reports required to be filed under this Act shall be filed with the Commission."; and

(2) in section 304—

(A) in subsection (a)(6)(A), by striking "the Secretary or"; and

(B) in the matter following subsection (c)(2), by striking "the Secretary or".

SEC. 302. PROHIBITION OF DEPOSIT OF CONTRIBUTIONS WITH INCOMPLETE CONTRIBUTOR INFORMATION.

Section 302 of Federal Election Campaign Act of 1971 (2 U.S.C. 432) is amended by adding at the end the following:

"(j) DEPOSIT OF CONTRIBUTIONS.—The treasurer of a candidate's authorized committee shall not deposit, except in an escrow account, or otherwise negotiate a contribution from a person who makes an aggregate amount of contributions in excess of $200 during a calendar year unless the treasurer verifies that the information required by this section with respect to the contributor is complete.".

SEC. 303. AUDITS.

(a) RANDOM AUDITS.—Section 311(b) of the Federal Election Campaign Act of 1971 (2 U.S.C. 438(b)) is amended—

(1) by inserting "(1) IN GENERAL.—" before "The Commission"; and

(2) by adding at the end the following:

"(2) RANDOM AUDITS.—

"(A) IN GENERAL.—Notwithstanding paragraph (1), the Commission may conduct random audits and investigations to ensure voluntary compliance with this Act. The selection of any candidate for a random audit or investigation shall be based on criteria adopted by a vote of at least 4 members of the Commission.

"(B) LIMITATION.—The Commission shall not conduct an audit or investigation of a candidate's authorized committee under subparagraph (A) until the candidate is no longer a candidate for the office sought by the candidate in an election cycle.

"(C) APPLICABILITY.—This paragraph does not apply to an authorized committee of a candidate for President or Vice President subject to audit under section 9007 or 9038 of the Internal Revenue Code of 1986.".

(b) EXTENSION OF PERIOD DURING WHICH CAMPAIGN AUDITS MAY BE BEGUN.—Section 311(b) of the Federal Election Campaign Act of 1971 (2 U.S.C. 438(b)) is amended by striking "6 months" and inserting "12 months".

SEC. 304. REPORTING REQUIREMENTS FOR CONTRIBUTIONS OF $50 OR MORE.

Section 304(b)(3)(A) of the Federal Election Campaign Act at 1971 (2 U.S.C. 434(b)(3)(A) is amended—

(1) by striking "$200" and inserting "$50"; and

(2) by striking the semicolon and inserting ", except that in the case of a person who makes contributions aggregating at least $50 but not more than $200 during the calendar year, the identification need include only the name and address of the person;".

SEC. 305. USE OF CANDIDATES' NAMES.

Section 302(e) of the Federal Election Campaign Act of 1971 (2 U.S.C. 432(e)) is amended by striking paragraph (4) and inserting the following:

"(4)(A) The name of each authorized committee shall include the name of the candidate who authorized the committee under paragraph (1).

"(B) A political committee that is not an authorized committee shall not—

"(i) include the name of any candidate in its name; or

"(ii) except in the case of a national, State, or local party committee, use the name of any candidate in any activity on behalf of the committee in such a context as to suggest that the committee is an authorized committee of the candidate or that the use of the candidate's name has been authorized by the candidate.".

SEC. 306. PROHIBITION OF FALSE REPRESENTATION TO SOLICIT CONTRIBUTIONS.

Section 322 of the Federal Election Campaign Act of 1971 (2 U.S.C. 441h) is amended—

(1) by inserting after "SEC. 322." the following: "(a) IN GENERAL.—"; and

(2) by adding at the end the following:

"(b) SOLICITATION OF CONTRIBUTIONS.—No person shall solicit contributions by falsely representing himself or herself as a candidate or as a representative of a candidate, a political committee, or a political party.".

SEC. 307. SOFT MONEY OF PERSONS OTHER THAN POLITICAL PARTIES.

(a) IN GENERAL.—Section 304 of the Federal Election Campaign Act of 1971 (2 U.S.C. 434) (as amended by section 103(c)) is amended by adding at the end the following:

"(g) DISBURSEMENTS OF PERSONS OTHER THAN POLITICAL PARTIES.—

"(1) IN GENERAL.—A person, other than a political committee or a person described in section 501(d) of the Internal Revenue Code of 1986, that makes an aggregate amount of disbursements in excess of $50,000 during a calendar year for activities described in paragraph (2) shall file a statement with the Commission—

"(A) on a monthly basis as described in subsection (a)(4)(B); or

"(B) in the case of disbursements that are made within 20 days of an election, within 24 hours after the disbursements are made.

"(2) ACTIVITY.—The activity described in this paragraph is—

"(A) Federal election activity;

"(B) an activity described in section 316(b)(2)(A) that expresses support for or opposition to a candidate for Federal office or a political party; and

"(C) an activity described in subparagraph (C) of section 316(b)(2).

"(3) APPLICABILITY.—This subsection does not apply to—

"(A) a candidate or a candidate's authorized committees; or

"(B) an independent expenditure.

"(4) CONTENTS.—A statement under this section shall contain such information about the disbursements made during the reporting period as the Commission shall prescribe, including—

"(A) the aggregate amount of disbursements made;

"(B) the name and address of the person or entity to whom a disbursement is made in an aggregate amount in excess of $200;

"(C) the date made, amount, and purpose of the disbursement; and

"(D) if applicable, whether the disbursement was in support of, or in opposition to, a candidate or a political party, and the name of the candidate or the political party.".

(b) DEFINITION OF GENERIC CAMPAIGN ACTIVITY.—Section 301 of the Federal Election Campaign Act of 1971 (2 U.S.C. 431 et seq.) (as amended by section 201(b)) is amended by adding at the end the following:

"(21) GENERIC CAMPAIGN ACTIVITY.—The term 'generic campaign activity' means an activity that promotes a political party and does not promote a candidate or non-Federal candidate.".

SEC. 308. CAMPAIGN ADVERTISING.

Section 318 of the Federal Election Campaign Act of 1971 (2 U.S.C. 441d) is amended—

(1) in subsection (a)—

(A) in the matter preceding paragraph (1)—

(i) by striking "Whenever" and inserting "Whenever a political committee makes a disbursement for the purpose of financing any communication through any broadcasting station, newspaper, magazine, outdoor advertising facility, mailing, or any other type of general public political advertising, or whenever";

(ii) by striking "an expenditure" and inserting "a disbursement"; and

(iii) by striking "direct"; and

(B) in paragraph (3), by inserting "and permanent street address" after "name"; and

(2) by adding at the end the following:

"(c) Any printed communication described in subsection (a) shall—

"(1) be of sufficient type size to be clearly readable by the recipient of the communication;

"(2) be contained in a printed box set apart from the other contents of the communication; and

"(3) be printed with a reasonable degree of color contrast between the background and the printed statement.

"(d)(1) Any broadcast or cablecast communication described in paragraphs (1) or (2) of subsection (a) shall include, in addition to the requirements of that paragraph, an audio statement by the candidate that identifies the candidate and states that the candidate has approved the communication.

"(2) If a broadcast or cablecast communication described in paragraph (1) is broadcast or cablecast by means of television, the communication shall include, in addition to the audio statement under paragraph (1), a written statement that—

"(A) appears at the end of the communication in a clearly readable manner with a reasonable degree of color contrast between the background and the printed statement, for a period of at least 4 seconds; and

"(B) is accompanied by a clearly identifiable photographic or similar image of the candidate.

"(e) Any broadcast or cablecast communication described in paragraph (3) of subsection (a) shall include, in addition to the requirements of that paragraph, in a clearly spoken manner, the following statement: '_____ is responsible for the content of this advertisement.' (with the blank to be filled in with the name of the political committee or other person paying for the communication and the name of any connected organization of the payor). If broadcast or cablecast by means of television, the statement shall also appear in a clearly readable manner with a reasonable degree of color contrast between the background and the printed statement, for a period of at least 4 seconds.".

TITLE IV—PERSONAL WEALTH OPTION

SEC. 401. VOLUNTARY PERSONAL FUNDS EXPENDITURE LIMIT.

Title III of the Federal Election Campaign Act of 1971 (2 U.S.C. 431 et seq.) (as amended by section 101) is amended by adding at the end the following:

"SEC. 325. VOLUNTARY PERSONAL FUNDS EXPENDITURE LIMIT.

"(a) ELIGIBLE SENATE CANDIDATE.—

"(1) PRIMARY ELECTION.—

"(A) DECLARATION.—A candidate is an eligible primary election Senate candidate if the candidate files with the Commission a declaration that the candidate and the candidate's authorized committees will not make expenditures in excess of the personal funds expenditure limit.

"(B) TIME TO FILE.—The declaration under subparagraph (A) shall be filed not later than the date on which the candidate files with the appropriate State officer as a candidate for the primary election.

"(2) GENERAL ELECTION.—

"(A) DECLARATION.—A candidate is an eligible general election Senate candidate if the candidate files with the Commission—

"(i) a declaration under penalty of perjury, with supporting documentation as required by the Commission, that the candidate and the candidate's authorized committees did not exceed the personal funds expenditure limit in connection with the primary election; and

"(ii) a declaration that the candidate and the candidate's authorized committees will not make expenditures in excess of the personal funds expenditure limit.

"(B) TIME TO FILE.—The declaration under subparagraph (A) shall be filed not later than 7 days after the earlier of—

"(i) the date on which the candidate qualifies for the general election ballot under State law; or

"(ii) if under State law, a primary or runoff election to qualify for the general election ballot occurs after September 1, the date on which the candidate wins the primary or runoff election.

"(b) PERSONAL FUNDS EXPENDITURE LIMIT.—

"(1) IN GENERAL.—The aggregate amount of expenditures that may be made in connection with an election by an eligible Senate candidate or the candidate's authorized committees from the sources described in paragraph (2) shall not exceed $50,000.

"(2) SOURCES.—A source is described in this paragraph if the source is—

"(A) personal funds of the candidate and members of the candidate's immediate family; or

"(B) proceeds of indebtedness incurred by the candidate or a member of the candidate's immediate family.

"(c) CERTIFICATION BY THE COMMISSION.—

"(1) IN GENERAL.—The Commission shall determine whether a candidate has met the requirements of this section and, based on the determination, issue a certification stating whether the candidate is an eligible Senate candidate.

"(2) TIME FOR CERTIFICATION.—Not later than 7 business days after a candidate files a declaration under paragraph (1) or (2) of subsection (a), the Commission shall certify whether the candidate is an eligible Senate candidate.

"(3) REVOCATION.—The Commission shall revoke a certification under paragraph (1), based on information submitted in such form and manner as the Commission may require or on information that comes to the Commission by other means, if the Commission determines that a candidate violates the personal funds expenditure limit.

"(4) DETERMINATIONS BY COMMISSION.—A determination made by the Commission under this subsection shall be final, except to the extent that the determination is subject to examination and audit by the Commission and to judicial review.

"(d) PENALTY.—If the Commission revokes the certification of an eligible Senate candidate—

"(1) the Commission shall notify the candidate of the revocation; and

"(2) the candidate and a candidate's authorized committees shall pay to the Commission an amount equal to the amount of expenditures made by a national committee of a political party or a State committee of a political party in connection with the general election campaign of the candidate under section 315(d).".

SEC. 402. POLITICAL PARTY COMMITTEE COORDINATED EXPENDITURES.

Section 315(d) of the Federal Election Campaign Act of 1971 (2 U.S.C. 441a(d)) (as amended by section 204) is amended by adding at the end the following:

"(5) This subsection does not apply to expenditures made in connection with the general election campaign of a candidate for the Senate who is not an eligible Senate candidate (as defined in section 325(a)).".

TITLE V—MISCELLANEOUS

SEC. 501. CODIFICATION OF BECK DECISION.

Section 8 of the National Labor Relations Act (29 U.S.C. 158) is amended by adding at the end the following new subsection:

"(h) NONUNION MEMBER PAYMENTS TO LABOR ORGANIZATION.

"(1) IN GENERAL.—It shall be an unfair labor practice for any labor organization which receives a payment from an employee pursuant to an agreement that requires employees who are not members of the organization to make payments to such organization in lieu of organization dues or fees not to establish and implement the objection procedure described in paragraph (2).

"(2) OBJECTION PROCEDURE.—The objection procedure required under paragraph (1) shall meet the following requirements:

"(A) The labor organization shall annually provide to employees who are covered by such agreement but are not members of the organization—

"(i) reasonable personal notice of the objection procedure, the employees eligible to invoke the procedure, and the time, place, and manner for filing an objection; and

"(ii) reasonable opportunity to file an objection to paying for organization expenditures supporting political activities unrelated to collective bargaining, including but not limited to the opportunity to file such objection by mail.

"(B) If an employee who is not a member of the labor organization files an objection under the procedure in subparagraph (A), such organization shall—

"(i) reduce the payments in lieu of organization dues or fees by such employee by an amount which reasonably reflects the ratio that the organization's expenditures supporting political activities unrelated to collective bargaining bears to such organization's total expenditures;

"(ii) provide such employee with a reasonable explanation of the organization's calculation of such reduction, including calculating the amount of organization expenditures supporting political activities unrelated to collective bargaining.

"(3) DEFINITION.—For purposes of this subsection, the term 'expenditures supporting political activities unrelated to collective bargaining' means expenditures in connection with a federal, state, or local election or in connection with efforts to influence legislation unrelated to collective bargaining.".

SEC. 502. USE OF CONTRIBUTED AMOUNTS FOR CERTAIN PURPOSES.

Title III of the Federal Election Campaign Act of 1971 (2 U.S.C. 431 et seq.) is amended by striking section 313 and inserting the following:

"SEC. 313. USE OF CONTRIBUTED AMOUNTS FOR CERTAIN PURPOSES.

"(a) PERMITTED USES.—A contribution accepted by a candidate, and any other amount received by an individual as support for activities of the individual as a holder of Federal office, may be used by the candidate or individual—

"(1) for expenditures in connection with the campaign for Federal office of the candidate or individual;

"(2) for ordinary and necessary expenses incurred in connection with duties of the individual as a holder of Federal office;

"(3) for contributions to an organization described in section 170(c) of the Internal Revenue Code of 1986; or

"(4) for transfers to a national, State, or local committee of a political party.

"(b) PROHIBITED USE.—

"(1) IN GENERAL.—A contribution or amount described in subsection (a) shall not be converted by any person to personal use.

"(2) CONVERSION.—For the purposes of paragraph (1), a contribution or amount shall be considered to be converted to personal use if the contribution or amount is used to fulfill any commitment, obligation, or expense of a person that would exist irrespective of the candidate's election campaign or individual's duties as a holder of Federal officeholder, including—

"(A) a home mortgage, rent, or utility payment;

"(B) a clothing purchase;

"(C) a noncampaign-related automobile expense;

"(D) a country club membership;

"(E) a vacation or other noncampaign-related trip;

"(F) a household food item;

"(G) a tuition payment;

"(H) admission to a sporting event, concert, theater, or other form of entertainment not associated with an election campaign; and

"(G) dues, fees, and other payments to a health club or recreational facility.".

SEC. 503. LIMIT ON CONGRESSIONAL USE OF THE FRANKING PRIVILEGE.

Section 3210(a)(6) of title 39, United States Code, is amended by striking subparagraph (A) and inserting the following:

"(A) A Member of Congress shall not mail any mass mailing as franked mail during a year in which there will be an election for the seat held by the Member during the period between January 1 of that year and the date of the general election for that Office, unless the Member has made a public announcement that the Member will not be a candidate for reelection to that year or for election to any other Federal office.".

SEC. 504. PROHIBITION OF FUNDRAISING ON FEDERAL PROPERTY.

Section 607 of title 18, United States Code, is amended by—

(a) striking subsection (a) and inserting the following:

"(a) PROHIBITION.—

"(1) IN GENERAL.—It shall be unlawful for any person to solitict or receive a donation of money or other thing of value for a political committee or a candidate for Federal, State or local office from a person who is located in a room or building occupied in the discharge of official duties by an officer or employee of the United States. An individual who is an officer or employee of the Federal Government, including the President, Vice President, and Members of Congress, shall not make solicit a donation of money or other thing of value for a political committee or candidate for Federal, State or local offices, while in any room or building occupied in the discharge of official duties by an officer or employee of the United States, from any person.

"(2) PENALTY.—A person who violates this section shall be fined not more than $5,000, imprisoned more than 3 years, or both.".

(b) Inserting a subsection (b) after "Congress" "or Executive Office of the President".

SEC. 505. PENALTIES FOR KNOWING AND WILLFUL VIOLATIONS.

(a) INCREASED PENALTIES.—Section 309(a) of the Federal Election Campaign Act of 1971 (2 U.S.C. 437g(a)) is amended—

(1) in paragraphs (5)(A), (6)(A), and (6)(B), by striking "$5,000" and inserting "$10,000"; and

(2) in paragraphs (5)(B) and (6)(C), by striking "$10,000 or an amount equal to 200 percent" and inserting "$20,000 or an amount equal to 300 percent".

(b) EQUITABLE REMEDIES.—Section 309(a)(5)(A) of the Federal Election Campaign Act of 1971 (2 U.S.C. 437g(a)(5)) is amended by striking the period at the end and inserting ", and may include equitable remedies or penalties, including disgorgement of funds to the Treasury or community service requirements (including requirements to participate in public education programs).".

(c) AUTOMATIC PENALTY FOR LATE FILING.—Section 309(a) of the Federal Election Campaign Act of 1971 (2 U.S.C. 437g(a)) is amended—

(1) by adding at the end the following:

"(13) PENALTY FOR LATE FILING.—

"(A) IN GENERAL.—

"(i) MONETARY PENALTIES.—The Commission shall establish a schedule of mandatory monetary penalties that shall be imposed by the Commission for failure to meet a time requirement for filing under section 304.

"(ii) REQUIRED FILING.—In addition to imposing a penalty, the Commission may require a report that has not been filed within the time requirements of section 304 to be filed by a specific date.

"(iii) PROCEDURE.—A penalty or filing requirement imposed under this paragraph shall not be subject to paragraph (1), (2), (3), (4), (5), or (12).

"(B) FILING AN EXCEPTION.—

"(i) TIME TO FILE.—A political committee shall have 30 days after the imposition of a penalty or filing requirement by the Commission under this paragraph in which to file an exception with the Commission.

"(ii) TIME FOR COMMISSION TO RULE.—Within 30 days after receiving an exception, the Commission shall make a determination that is a final agency action subject to exclusive review by the United States Court of Appeals for the District of Columbia Circuit under section 706 of title 5, United States Code, upon petition filed in that court by the political committee or treasurer that is the subject of the agency action, if the petition is filed within 30 days after the date of the Commission action for which review is sought.";

(2) in paragraph (5)(D)—

(A) by inserting after the first sentence the following: "In any case in which a penalty or filing requirement imposed on a political committee or treasurer under paragraph (13) has not been satisfied, the Commission may institute a civil action for enforcement under paragraph (6)(A).'; and

(B) by inserting before the period at the end of the last sentence the following: "or has failed to pay a penalty or meet a filing requirement imposed under paragraph (13)"; and

(3) in paragraph (6)(A), by striking "paragraph (4)(A)" and inserting "paragraph (4)(A) or (13)".

SEC. 506. STRENGTHENING FOREIGN MONEY BAN.

Section 319 of the Federal Election Campaign Act of 1971 (2 U.S.C. 441e) is amended—

(1) by striking the heading and inserting the following: "CONTRIBUTIONS AND DONATIONS BY FOREIGN NATIONALS"; and

(2) by striking subsection (a) and inserting the following:

"(a) PROHIBITION.—It shall be unlawful for—

"(1) a foreign national, directly or indirectly, to make—

"(A) a donation of money or other thing of value, or to promise expressly or impliedly to make a donation, in connection with a Federal, State, or local election to a political committee or a candidate for Federal office; or

"(ii) a contribution or donation to a committee of a political party; or

"(B) for a person to solicit, accept, or receive such contribution or donation from a foreign national.".

SEC. 507. PROHIBITION OF CONTRIBUTIONS BY MINORS.

Title III of the Federal Election Campaign Act of 1971 (2 U.S.C. 431 et seq.) (as amended by section 401) is amended by adding at the end the following:

"SEC. 326. PROHIBITION OF CONTRIBUTIONS BY MINORS.

An individual who is 17 years old or younger shall not make a contribution to a candidate or a contribution or donation to a committee of a political party.".

SEC. 508. EXPEDITED PROCEDURES.

(a) IN GENERAL.—Section 309(a) of the Federal Election Campaign Act of 1971 (2 U.S.C. 437g(a)) (as amended by section 505(c)) is amended by adding at the end the following:

"(14)(A) If the complaint in a proceeding was filed within 60 days preceding the date of a general election, the Commission may take action described in this subparagraph.

"(B) If the Commission determines, on the basis of facts alleged in the complaint and other facts available to the Commission, that there is clear and convincing evidence that a violation of this Act has occurred, is occurring, or is about to occur, the Commission may order expedited proceedings, shortening the time periods for proceedings under paragraphs (1), (2), (3), and (4) as necessary to allow the matter to be resolved in sufficient time before the election to avoid harm or prejudice to the interests of the parties.

"(C) If the Commission determines, on the basis of facts alleged in the complaint and other facts available to the Commission, that the complaint is clearly without merit, the Commission may—

"(i) order expedited proceedings, shortening the time periods for proceedings under paragraphs (1), (2), (3), and (4) as necessary to allow the matter to be resolved in sufficient time before the election to avoid harm or prejudice to the interests of the parties; or

"(ii) if the Commission determines that there is insufficient time to conduct proceedings before the election, summarily dismiss the complaint.".

(b) REFERRAL TO ATTORNEY GENERAL.—Section 309(a)(5) of the Federal Election Campaign Act of 1971 (2 U.S.C. 437g(a)(5)) is amended by striking subparagraph (C) and inserting the following:

"(C) The Commission may at any time, by an affirmative vote of at least 4 of its members, refer a possible violation of this Act or chapter 95 or 96 of title 26, United States Code, to the Attorney General of the United States, without regard to any limitation set forth in this section.".

SEC. 509. INITIATION OF ENFORCEMENT PROCEEDING.

Section 309(a)(2) of the Federal Election Campaign Act of 1971 (2 U.S.C. 437g(a)(2)) is amended by striking "reason to believe that" and inserting "reason to investigate whether".

TITLE VI—SEVERABILITY; CONSTITUTIONALITY; EFFECTIVE DATE; REGULATIONS

SEC. 601. SEVERABILITY.

If any provision of this Act or amendment made by this Act, or the application of a provision or amendment to any person or circumstance, is held to be unconstitutional, the remainder of this Act and amendments made by this Act, and the application of the provisions and amendment to any person or circumstance, shall not be affected by the holding.

SEC. 602. REVIEW OF CONSTITUTIONAL ISSUES.

An appeal may be taken directly to the Supreme Court of the United States from any final judgment, decree, or order issued by any court ruling on the constitutionality of any provision of this Act or amendment made by this Act.

SEC. 603. EFFECTIVE DATE.

Except as otherwise provided in this Act, this Act and the amendments made by this Act take effect on the date that is 60 days after the date of enactment of this Act or January 1, 1998, whichever occurs first.

SEC. 604. REGULATIONS.

The Federal Election Commission shall prescribe any regulations required to carry out this Act and the amendments made by this Act not later than 270 days after the effective date of this Act.

AMENDMENT NO. 1258

(Purpose: To guarantee that contributions to Federal political campaigns are voluntary)

Mr. LOTT. Mr. President, I send an amendment to the desk.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Mississippi [Mr. LOTT] proposes an amendment numbered 1258.

Mr. LOTT. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

Strike all of section 501, and insert the following:

SEC. 501. PAYCHECK PROTECTION ACT.

(a) IN GENERAL.—Section 316 of the Federal Election Campaign Act of 1971 (2 U.S.C. 441b) is amended by adding the following new subsection:

"(c)(1) Except with the separate, prior, written, voluntary authorization of each individual, it shall be unlawful—

"(A) for any national bank or corporation described in this section to collect from or assess its stockholders or employees any dues, initiation fee, or other payment as a condition of employment if any part of such dues, fee, or payment will be used for political activities in which the national bank or corporation, as the case may be, is engaged; and

"(B) for any labor organization described in this section to collect from or assess its members or nonmembers any dues, initiation fee, or other payment if any part of such dues, fee, or payment will be used for political activities.

"(2) An authorization described in paragraph (1) shall remain in effect until revoked and may be revoked at any time.

"(3) For purposes of this subsection, the term 'political activities' includes communications or other activities which involve carrying on propaganda, attempting to influence legislation, or participating or intervening in any political campaign or political party."

Mr. LOTT. Mr. President, I ask for the yeas and nays on the amendment.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

AMENDMENT NO. 1259 TO AMENDMENT NO. 1258

(Purpose: To guarantee that contributions to Federal political campaigns are voluntary)

Mr. LOTT. Mr. President, I send an amendment to the desk to my amendment.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Mississippi [Mr. LOTT] proposes an amendment numbered 1259 to amendment No. 1258.

Mr. LOTT. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

In lieu of the matter proposed to be inserted insert the following:

SEC. 501. PAYCHECK PROTECTION ACT.

(a) IN GENERAL.—Section 316 of the Federal Election Campaign Act of 1971 (2 U.S.C. 441b) is amended by adding the following new subsection:

"(c)(1) Except with the separate, prior, written, voluntary authorization of each individual, it shall be unlawful—

"(A) for any national bank or corporation described in this section to collect from or assess its stockholders or employees any dues, initiation fee, or other payment as a condition of employment if any part of such dues, fee, or payment will be used for political activities in which the national bank or corporation, as the case may be, is engaged; and

"(B) for any labor organization described in this section to collect from or assess its members or nonmembers any dues, initiation fee, or other payment if any part of such dues, fee, or payment will be used for political activities.

"(2) An authorization described in paragraph (1) shall remain in effect until revoked and may be revoked at any time.

"(3) For purposes of this subsection, the term 'political activities' includes communications or other activities which involve carrying on propaganda, attempting to influence legislation, or participating or intervening in any political campaign or political party."

(b) EFFECTIVE DATE.—This section shall take effect one day after enactment of this Act.

Mr. LOTT. I ask for the yeas and nays on the amendment.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

AMENDMENT NO. 1260 TO AMENDMENT NO. 1258

(Purpose: To guarantee that contributions to Federal political campaigns are voluntary)

Mr. LOTT. I send a perfecting amendment to the desk.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Mississippi [Mr. LOTT] proposes an amendment numbered 1260 to amendment No. 1258.

Mr. LOTT. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

Strike all after the word "**SEC.**" in the pending amendment and insert the following:

501. PAYCHECK PROTECTION ACT.

(a) IN GENERAL.—Section 316 of the Federal Election Campaign Act of 1971 (2 U.S.C. 441b) is amended by adding the following new subsection:

"(c)(1) Except with the separate, prior, written, voluntary authorization of each individual, it shall be unlawful—

"(A) for any national bank or corporation described in this section to collect from or assess its stockholders or employees any dues, initiation fee, or other payment as a condition of employment if any part of such dues, fee, or payment will be used for political activities in which the national bank or corporation, as the case may be, is engaged; and

"(B) for any labor organization described in this section to collect from or assess its members or nonmembers any dues, initiation fee, or other payment if any part of such dues, fee, or payment will be used for political activities.

"(2) An authorization described in paragraph (1) shall remain in effect until revoked and may be revoked at any time.

"(3) For purposes of this subsection, the term 'political activities' includes communications or other activities which involve carrying on propaganda, attempting to influence legislation, or participating or intervening in any political campaign or political party."

(b) EFFECTIVE DATE.—This section shall take effect two days after enactment of this Act.

AMENDMENT NO. 1261

(Purpose: To guarantee that contributions to Federal political campaigns are voluntary)

Mr. LOTT. I now send an amendment to the desk to the language proposed to be stricken.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Mississippi [Mr. LOTT] proposes an amendment No. 1261.

Mr. LOTT. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 42, in the language proposed to be stricken, strike all after "**SEC. 501**" through the end of the page and insert the following:

PAYCHECK PROTECTION ACT.

(a) IN GENERAL.—Section 316 of the Federal Election Campaign Act of 1971 (2 U.S.C. 441b) is amended by adding the following new subsection:

"(c)(1) Except with the separate, prior, written, voluntary authorization of each individual, it shall be unlawful—

"(A) for any national bank or corporation described in this section to collect from or assess its stockholders or employees any dues, initiation fee, or other payment as a condition of employment if any part of such dues, fee, or payment will be used for political activities in which the national bank or corporation, as the case may be, is engaged; and

"(B) for any labor organization described in this section to collect from or assess its members or nonmembers any dues, initiation fee, or other payment if any part of such dues, fee, or payment will be used for political activities.

"(2) An authorization described in paragraph (1) shall remain in effect until revoked and may be revoked at any time.

"(3) For purposes of this subsection, the term 'political activities' includes communications or other activities which involve carrying on propaganda, attempting to influence legislation, or participating or intervening in any political campaign or political party."

(b) EFFECTIVE DATE.—This section shall take effect three days after enactment of this Act.

Mr. LOTT. I now ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

AMENDMENT NO. 1262 TO AMENDMENT NO. 1261

(Purpose: To guarantee that contributions to Federal political campaigns are voluntary)

Mr. LOTT. Mr. President, I send an amendment to the desk to my amendment.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Mississippi [Mr. LOTT] proposes an amendment numbered 1262 to amendment No. 1261.

Mr. LOTT. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

Strike all after the first word in the pending amendment and insert the following:

PROTECTION ACT.

(a) IN GENERAL.—Section 316 of the Federal Election Campaign Act of 1971 (2 U.S.C. 441b) is amended by adding the following new subsection:

"(c)(1) Except with the separate, prior, written, voluntary authorization of each individual, it shall be unlawful—

"(A) for any national bank or corporation described in this section to collect from or assess to its stockholders or employees any dues, initiation fee, or other payment as a condition of employment it any part of such dues, fee, or payment will be used for political activities in which the national bank or corporation, as the case may be, is engaged; and

"(B) for any labor organization described in this section to collect from or assess its members or nonmembers any dues, initiation fee, or other payment if any part of such dues, fee, or payment will be used for political activities.

"(2) An authorization described in paragraph (1) shall remain in effect until revoked and may be revoked at any time.

"(3) For purposes of this subsection, the term 'political activities' includes communications or other activities which involve carrying on propaganda, attempting to influence legislation, or participating or intervening in any political campaign or political party."

(b) EFFECTIVE DATE.—This section shall take effect four days after enactment of this Act.

MOTION TO RECOMMIT

AMENDMENT NO. 1263 TO INSTRUCTIONS TO THE MOTION TO RECOMMIT

(Purpose: To guarantee that contributions to Federal political campaigns are voluntary)

Mr. LOTT. Mr. President, I now move that the Senate recommit S. 25 to the Committee on Rules and Administration with instructions to report back forthwith, and I send an amendment to the instructions to the desk.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Mississippi [Mr. LOTT] proposes an amendment numbered 1263 to instructions to the motion to recommit.

Mr. LOTT. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the end of the instructions add the following:

"with an amendment as follows:

Strike all of section 501 and insert the following:

SEC. . PAYCHECK PROTECTION ACT.

(a) IN GENERAL.—Section 316 of the Federal Election Campaign Act of 1971 (2 U.S.C. 441b) is amended by adding the following new subsection:

"(c)(1) Except with the separate, prior, written, voluntary authorization of each individual, it shall be unlawful—

"(A) for any national bank or corporation described in this section to collect from or assess its stockholders or employees any dues, initiation fee, or other payment as a condition of employment if any part of such dues, fee, or payment will be used for political activities in which the national bank or corporation, as the case may be, is engaged; and

"(B) for any labor organization described in this section to collect from or assess its members or nonmembers any dues, initiation fee, or other payment if any part of such dues, fee, or payment will be used for political activities.

"(2) An authorization described in paragraph (1) shall remain in effect until revoked and may be revoked at any time.

"(3) For purposes of this subsection, the term 'political activities' includes communications or other activities which involve carrying on propaganda, attempting to influence legislation, or participating or intervening in any political campaign or political party."

Mr. LOTT. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

AMENDMENT NO. 1264 TO AMENDMENT NO. 1263

(Purpose: To guarantee that contributions to Federal political campaigns are voluntary)

Mr. LOTT. I send an amendment to the desk.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Mississippi [Mr. LOTT] proposes an amendment numbered 1264 to amendment No. 1263.

Mr. LOTT. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

Mr. McCAIN. I object to suspension of the reading. I would like to know what the amendment is.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

In lieu of the matter proposed to be inserted insert the following:

SEC. . PAYCHECK PROTECTION ACT.

(a) IN GENERAL.—Section 316 of the Federal Election Campaign Act of 1971 (2 U.S.C. 441b) is amended by adding the following new subsection:

"(c)(1) Except with the separate, prior, written, voluntary authorization of each individual, it shall be unlawful—

"(A) for any national bank or corporation described in this section to collect from or assess its stockholders or employees any dues, initiation fee, or other payment as a condition of employment if any part of such dues, fee, or payment will be used for political activities in which the national bank or corporation, as the case may be, is engaged; and

"(B) for any labor organization described in this section to collect from or assess its members or nonmembers any dues, initiation fee, or other payment if any part of such dues, fee, or payment will be used for political activities.

"(2) An authorization described in paragraph (1) shall remain in effect until revoked and may be revoked at any time.

"(3) For purposes of this subsection, the term 'political activities' includes communications or other activities which involve carrying on propaganda, attempting to influence legislation, or participating or intervening in any political campaign or political party."

EFFECTIVE DATE.—This section shall take effect one day after enactment of this Act.

The PRESIDING OFFICER. Is there a sufficient second to the request for the yeas and nays?

There is a sufficient second.

The yeas and nays were ordered.

AMENDMENT NO. 1265 TO AMENDMENT NO. 1264

(Purpose: To guarantee that contributions to Federal political campaigns are voluntary)

Mr. LOTT. I send a final amendment to the desk.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Mississippi [Mr. LOTT] proposes an amendment numbered 1265 to amendment No. 1264.

Mr. LOTT. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

Mr. McCAIN. I object.

The PRESIDING OFFICER. Objection is heard.

The clerk will report.

The legislative clerk read as follows:

Strike all after the word "section" in the first degree amendment and insert the following:

PAYCHECK PROTECTION ACT.

(a) IN GENERAL.—Section 316 of the Federal Election Campaign Act of 1971 (2 U.S.C. 441b) is amended by adding the following new subsection:

"(c)(1) Except with the separate, prior, written, voluntary authorization of each individual, it shall be unlawful—

Mr. McCAIN. Mr. President, I ask unanimous consent that the remaining part of the reading of the amendment be dispensed with since it is the same as the other amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

The remainder of the amendment is as follows:

"(A) for any national bank or corporation described in this section to collect from or assess its stockholders or employees any dues, initiation fee, or other payment as a condition of employment if any part of such dues, fee, or payment will be used for political activities in which the national bank or corporation, as the case may be, is engaged; and

"(B) for any labor organization described in this section to collect from or assess its members or nonmembers any dues, initiation fee, or other payment if any part of such dues, fee, or payment will be used for political activities.

"(2) An authorized described in paragraph (1) shall remain in effect until revoked and may be revoked at any time.

"(3) For purposes of this subsection, the term 'political activities' includes communications or other activities which involve carrying on propaganda, attempting to influence legislation, or participating or intervening in any political campaign or political party."

(b) EFFECTIVE DATE—This section shall take effect two days after enactment of this Act.

Mr. LOTT. Mr. President, I would like to explain what just transpired.

Mr. President, Senate procedure can be sometimes confusing. So let me take a moment to go over what are the amendments that were offered and what is pending.

Under the unanimous-consent agreement reached last week, Senator McCAIN modified his original McCain-Feingold bill. I was then recognized to offer an amendment.

The amendment I offered—the Paycheck Protection Act—will not wipe out the underlying McCain bill, if it is adopted. On the contrary, if adopted, this amendment would become part of the bill.

The other amendments I just offered were part of the process which is informally known as "filling up the amendment tree." This is a fairly standard procedure to ensure opponents of an amendment cannot gut it by offering yet another amendment.

I ask unanimous consent that five recent examples be printed in the RECORD.

There being no objection, the materials was ordered to be printed in the RECORD, as follows:

1977—Jimmy Carter's Energy Deregulation Bill—Byrd filled up amendment tree.

1984—Grove City—Byrd (in minority) filled up the tree.

1985—Budget Resolution—Dole filled up the tree.

1988—Campaign Finance—Byrd filled up the tree (eight cloture votes).

1993—Emergency Supplemental Approps (Stimulus Bill)—Byrd filled up the tree.

Mr. LOTT. Mr. President, also, I note that this is done two or three times a year and certainly is not unprecedented.

I hope no one will characterize this amendment as a "poison pill" for campaign finance reform. It is so fundamental to fairness in the campaign process. Shouldn't workers in America be able to have some say about how their fees, assessments, or dues are used in political campaigns? I think the answer truly should be yes.

Some of our colleagues may not want to expose, much less vote on, one of the worst campaign abuses that exists—compulsory business or union dues—but that is no reason for them to suddenly change their position on campaign finance reform as a whole.

Most Americans would be shocked to learn that some workers in our Nation are forced to contribute to a candidate or campaign they don't support or do not know anything about. They have no way of directing where those funds go.

Because of that abuse, this amendment, the Paycheck Protection Act, is an essential element to genuine campaign reform. It requires that all political contributions be voluntary.

The McCain-Feingold bill places restrictions on political parties, bans soft money, and curbs the activities of grassroots organizations. But it contains a giant loophole: It allows corporations and unions to confiscate money, for political purposes, from their employees' and members' paychecks without getting their permission. This loophole must be closed.

Senator McCAIN himself stated that he "personally supports much stronger [Beck] language." He said he "believes that no individual—a union member or not—should be required to contribute to political activities." This was on a floor statement of September 26, 1997.

The McCain-Feingold bill limits what people can voluntary contribute for political purposes, but it does not protect people from being forced to contribute involuntarily to political campaigns.

We must require unions and corporations to get a worker's permission before taking money out of his or her paycheck for political purposes.

As I have said before, my own father was a union member. This amendment is not targeted at unions. It is, as a matter of fact, directed at affecting both unions and corporations as well.

No worker—whether union or corporate business, large or small—should be forced to contribute against his or her will, as a condition of their employment.

Many workers don't want to pay and be involved in campaigns or in politics, and many of those don't want to be

told what they have to do and don't want to have their funds taken from them without their permission.

A recent poll of union members revealed that 78 percent did not know they had the right to stop paying for politics.

A 1996 poll of union members found that 62 percent opposed the AFL–CIO's expenditure of over $35 million—and probably much more—of their money in a campaign to control Congress.

No worker should be forced to pay for politics that they do not support. As such, I hope Senators will support my amendment.

There will be plenty of time to debate this amendment and other amendments, and then we will design a process to have some votes to see where the Senate stands on this and other issues.

I yield the floor.

Mr. WARNER addressed the Chair.

The PRESIDING OFFICER. The Senator from Virginia.

Mr. WARNER. Mr. President, I ask the distinguished leader if I may be designated as a cosponsor of his amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. WARNER. Mr. President, I commend the leader because there is no more essential thing in America than our freedom. It is written into every important document. It is the very foundation upon which our Republic was formed, yet we have turned aside and winked at this process whereby the American worker is penalized in that he or she cannot exercise his or her own free will in making the most fundamental of decisions: Whether or not to have his or her paycheck involuntarily docked for a sum of money for which in most instances they have no idea to what uses it will be put by people who make decisions for them.

Then that same worker will exercise his or her right of freedom to go to a polling place and write in a check or pull a lever or whatever the procedure may be by which he or she will exercise his or her freedom to select that individual, Democrat or Republican, independent, whether it is for chairman of the board of supervisors in the hometown, President of the United States, or whatever the case may be. To me it is a total anachronism to say that you cannot make a decision with regard to your paycheck, yet you are free to go into the polling booth and make that decision.

This amendment is referred to as a poison pill.

Mr. President, I ask unanimous consent to have printed in the RECORD a sample of the type of thing that is being used today in certain States by which that worker signs and sends into his or her respective employer his or her written consent to do just what this amendment asks.

There being no objection, the sample was ordered to be printed in the RECORD, as follows:

POLITICAL CONTRIBUTION WITHHOLDING AUTHORIZATION

No employer or other person may withhold a portion of a Washington State resident's earnings (or that of a non-resident whose primary place of work is in Washington) in order to make contributions to a political committee that must report to the Public Disclosure Commission or to a candidate for state or local office without annual, written permission from that individual. Completion of this form entitles the entity specified to make such a withholding for no more than 12 consecutive months.

I, (First Name, Middle Initial, Last Name) authorize (Name of Employer or Other Person) to withhold ($ Amount per/pay period/week/month/year/ from my earnings in order to make political contributions to (Name, City and State of political committee(s) and/or candidate(s) to receive deductions).

If more than one recipient is indicated, each is to receive the following portion of the deduction made: _____. This authorization is valid for no more than twelve consecutive months. It is effective on (Month/Day/Year) and expires on (Month/Day/Year).

Signature:

Date:

According to state law, no employer or labor organization may discriminate against an officer or employee in the terms or conditions of employment for (a) the failure to contribute to, (b) the failure in any way to support or oppose, or (c) in any way supporting or opposing a candidate, ballot proposition, political party, or political committee.

TIMING OF CONTRIBUTIONS

Primary and General Contributions: With the exception of contributions from a bona fide political party organization or a legislative caucus committee, no primary election contribution may be made after the date of the primary.

No general election contribution is permitted after November 30 of the election year from any contributor—except the candidate using personal funds for his own campaign.

Mr. WARNER. Mr. President, I remember a famous poem written years and years ago, and I will insert in the RECORD portions of it. But it related to military people around the turn of the century. It says: "Yours is not to reason why; yours is but to do or die."

Mr. President, I ask unanimous consent that an excerpt of "The Charge of the Light Brigade" be printed in the RECORD.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

THE CHARGE OF THE LIGHT BRIGADE

II.

"Forward, the Light Brigade!"
Was there a man dismay'd?
Not tho' the soldier knew
Some one had blunder'd:
Theirs not to make reply,
Theirs not to reason why,
Theirs but to do and die:
Into the valley of Death
Rode the six hundred.

Mr. WARNER. That is the philosophy behind this automatic deduction—yours is not to reason why; you just do as we tell you. That is antithetical. It is not a poison pill to correct that and have maybe six simple words which say, I hereby consent to have my paycheck deducted in a certain amount. How can anyone in good conscience call that simple one sentence a poison pill? It is the exercise of the very essence of democracy in this country and no longer adheres to the refrain "yours is not to reason why."

The American worker is quite different in profile today than when this statute, which they predicate the automatic deduction, was put in. Given a few gray hairs and a few years, I bridge back to those thirties when so much of the labor legislation was enacted. That laboring person was drawn from a segment of society that was struggling for its very existence, would take any job, would follow any order, would accept any working condition just to have enough of an opportunity to provide for his or her family.

Fortunately, this country has progressed today to where that is gone, and today that working person is of an entirely different profile. They have had the opportunity to get education, and many are still seeking to augment their education. They have the opportunity to think for themselves. We are in a society today dominated by all sorts of opportunities, be it on television or in schools or otherwise, to enhance one's level of education and to develop, Mr. President, a thought process by which the American worker can make many, many more decisions for himself or for herself than at the time of the origin of these very oppressive statutes that we still struggle with today.

So I commend the distinguished majority leader. It seems to me anyone who wants to call this a poison pill should hold up that simple form, point to it and say that the exercise of the right to simply say that I consent is a poison pill. I call it, Mr. President, a "freedom" pill, if you want to use that phraseology. This is a "freedom" pill for the ability of the American worker to begin to think and exercise his or her own judgment. I commend those who support this measure. I yield the floor.

Mr. MCCAIN addressed the Chair.

The PRESIDING OFFICER. The Senator from Arizona.

Mr. MCCAIN. Mr. President, very briefly, reluctantly, I must oppose the amendment before the Senate. I do so not because I disagree with its intent. In fact, I strongly support what it seeks to do. But, as with all difficult choices, a decision must be made. In this case, I must decide that passage of overall campaign finance reform must be the Senate's first goal. The cosponsors of the modified bill recognized that something must be done about enforcing the Beck decision.

S. 25, our original bill, was silent on this point. We chose in the modification to take the important step to codify Beck. This step was not taken lightly, and it should not be discounted by those who want more. The fight with my friends on the other side of the aisle over this issue loomed large for some time. To be frank, this was certainly one of the most contentious issues we faced. In fact, inclusion of Beck language in the bill nearly fractured our bipartisan coalition. However, in the end, all involved came to the same conclusion that I have today. We must put the goal of overall campaign finance reform first. By this I do not mean to say that workers' rights issues are second to any other subject. They are extremely important and are long overdue in being addressed, but now is the time to debate campaign finance reform. We can turn to other subjects in due time.

Mr. President, in the modified bill, we seek to codify the landmark 1988 Supreme Court Beck decision. President Bush did this by Executive order in 1992 to the applause of the right and a condemnation of the left and the unions. It was the right thing to do then, and it is the right first step now.

Unfortunately, as we all know, elections have consequences, and after winning the White House, President Clinton soon reversed course and repealed President Bush's Executive order. This bill would effectively reverse the actions of President Clinton. The bill would require that all labor unions give notice to nonunion individuals who are forced to pay agency fees annual notice of their Beck rights. Such notice would occur by mail and must inform the worker how much money he or she could receive. Again, this notification must occur each and every year.

If an employee chooses to utilize his or her rights, an employee would be able to notify the union of such action by mail and have his or her fees reduced accordingly. The Beck decision does not affect labor's contributions to candidates from its PAC. The law already restricts dues and fees from being used for any PAC activity. The codification of Beck contained in the modified bill is not inconsequential. An estimated 3 million of 19 million individuals working under labor contracts are in union or agency shops where they must pay union fees even though they are not members. If nonunion employees chose to invoke their rights, unions would have to return up to $2.4 million a year.

On April 14, 1992, after President Bush issued his Executive order, the Cleveland Plain Dealer reported:

"Unions in truth have not been complying with Beck," said Robert Duvin, a Cleveland lawyer who represents management on labor issues. "It's a joke. I am not saying workers don't get their money back. Unions are not keeping the kind of accounting they should."

The language in the modified bill will go far to stop this "joke." It will make clear that Beck is the law of the land, that it must be complied with, and that the status quo is no longer acceptable.

As I noted, in 1992, when President Bush took this action, it was widely applauded by Republicans as a good first step, and I admit it is exactly that, a good first step, not comprehensive action. Just as the bill before the Senate is not all that I would want, it, too, is only a good first step. In both cases we must not let perfect be the enemy of the good. I hope that we can quickly resolve this issue. Now is not the time for a debate on labor policy. This amendment should be offered on other legislation. I would strongly support debate on a freestanding bill. Perhaps all my colleagues could agree to move to Senator NICKLES' Paycheck Protection Act immediately after debate on campaign finance reform. I challenge my Democratic colleagues to come to the floor and pledge to allow the majority leader to bring the Nickles' Paycheck Protection Act to the floor and to allow for full debate in the regular order. Just as we are debating campaign finance reform, we could have a healthy debate on labor law, and that is the best way to deal with this issue.

Again, I urge my colleagues to work out a solution to this matter that does not jeopardize passage of campaign finance reform. Both sides of the aisle must come to an agreement to deal with this subject without engaging in a filibuster. A filibuster at this time will doom campaign finance reform. There will be plenty of blame to go around if such action occurs. I hope the public will understand that any prolonged debate at this time is designed solely to kill campaign finance reform. If we can't come to some agreement to bring this matter up freestanding, then I hope my colleagues will allow us to vote on the matter. Let the will of the majority of the Senate prevail. Then we can and must continue under the regular order and proceed with other amendments. We should not let the prospects for passage of campaign finance reform come crashing down based on the first amendment offered.

Let me point out again, Mr. President, I think we ought to go ahead and vote on this amendment, dispose of it and move forward. I hope that we can do that soon, since it is an issue that is fairly well known to most of my colleagues.

Mr. President, on Friday, we began a historic debate on the issue of campaign finance reform. The Senate heard from many Members who feel very passionately on this subject. The Washington Post characterized the debate as having "rare passion and eloquence," and that goes on both sides of this issue. I think it is a tribute to the nature of this body that such a debate is now occurring. We must not allow this opportunity to be lost. I urge the Senate to move forward with debate on campaign finance reform and resolve this unrelated labor debate as soon as possible.

Mr. President, I yield the floor.

Mr. MCCONNELL addressed the Chair.

The PRESIDING OFFICER. The Senator from Kentucky.

Mr. MCCONNELL. Mr. President, is the Senator from Arizona going to stay in the Chamber? I would like to enter into a colloquy with him if he is available for that.

If I could, I would ask my friend from Arizona, last Friday when the debate began, the substitute which the Senator from Arizona laid down today was not ready until today. Is the Senator from Kentucky correct about that?

Mr. MCCAIN. Of course.

Mr. MCCONNELL. And the letter from the Brennan Center in New York, which the Senator from Arizona and the Senator from Wisconsin received, was dated last Monday, September 22. So would the Senator from Kentucky be correct in saying that the 126 signatories to that letter probably had not seen the substitute which the Senator from Arizona laid down today?

Mr. MCCAIN. Of course, the Senator from Kentucky knows that the core of the bill basically remains the same. What we did was, as I mentioned in both my statement on Friday and again this morning, we did away with a number of the provisions in the bill which would have guaranteed its failure, not that we had in any way abandoned the fundamental belief in those provisions of the bill, but we were not going to let the perfect be the enemy of the good. We are in contact with the Brennan Center, and they will update their views on this within a very short period of time. So if the Senator from Kentucky has some concerns about their being up to date with the latest changes, let me calm his fears at this time to tell him that we will be receiving very soon another letter that approves of the modified version.

Mr. MCCONNELL. Well, the original letter to the Senator from Arizona, which I have read, talks about party soft money and spending limits on campaigns. The spending limits on campaigns portion, I understand, is not in the revision that the Senator from Arizona has sent to the desk.

According to my reading of the letter, there is no mention of either independent expenditures or issue advocacy provisions, which I assume are the same in the substitute as were in the original bill. Am I missing something, or is the Senator from Arizona——

Mr. MCCAIN. The Senator from Kentucky did miss something. I am sorry he wasn't able to attend our press conference that we held last week with

Burt Neuborne, if you will look the final signature for Burt Neuborne, John Norton Pomeroy Professor of Law, legal director, Brennan Center for Justice, New York University School of Law. He was queried on exactly that point and stated that he firmly believed in its constitutionality and, as I say, that letter will be updated very soon to include that.

Mr. MCCONNELL. I would say to my friend from Arizona I am reading from the letter of September 22. It says, "We do not all agree on the constitutionality of various provisions of the McCain-Feingold bill itself, nor are we endorsing every aspect of the bill's soft money and voluntary spending limits provision."

Is the Senator from Arizona then suggesting that all 126 signatories to the letter endorse the independent expenditure and issue advocacy provisions of the modification?

Mr. MCCAIN. I am telling the Senator from Kentucky that I am totally confident that all or the overwhelming majority of the 126 who signed this letter will also sign and approve of the changes that we have made. Again, fundamentally because there have been reductions in the bill instead of an expansion of it.

Again, Mr. Neuborne, who was the one who was the progenitor of this entire letter and contacted all 126 people, expressed his confidence that that would also be the case.

Mr. FEINGOLD. Will the Senator from Kentucky yield for a question?

Mr. MCCONNELL. Let me just say there have been a whole series of cases——

Mr. FEINGOLD. Will the Senator from Kentucky yield for a question?

Mr. MCCONNELL. Not at this time.

There have been a whole series of cases on issue advocacy. It is not in a gray area. In fact, the FEC's enforcement actions and regulatory efforts to suppress issue advocacy have been going on for a number of years.

They have been involved in a number of cases. I am looking at a whole list here, FEC versus AFSCME, in 1979; FEC versus CLITRIM, in 1980; FEC versus Machinists, in 1981; FEC versus Massachusetts Citizens for Life, in 1986; FEC versus——

Mr. MCCAIN. May I ask the Senator from Kentucky, is our colloquy over or is it going to continue?

Mr. MCCONNELL. I apologize to my friend from Arizona. I am now making some observations about issue advocacy.

Mr. FEINGOLD. Will the Senator yield for a question?

Mr. MCCONNELL. FEC versus Phillips Publishing, in 1981; FEC versus National Organization for Women; FEC versus Survival Education Fund, in 1995; FEC versus Christian Action Network, in 1996; FEC versus GOPAC, in 1994; FEC versus Colorado Republican Federal Campaign Committee, in 1996.

Now, in all of those cases the Federal Election Commission was trying to snuff out issue advocacy. It was rebuffed in all of those cases and, in the case of FEC versus the Christian Action Network, in the fourth circuit, the court was so angry at the FEC for continuing to pursue these citizens groups that it ordered the FEC to pay the legal fees of the citizen group which had been harassed by the FEC.

Mr. President, there may be some things that are in a gray area in this debate, but issue advocacy is not. The court has been very, very clear, since Buckley, that it is impermissible for the Congress to shut these people up when they seek to criticize us. An effort to say that in proximity to the election they can't criticize us would be an exercise in futility. I mean, these citizens have a right to band together. We don't like it. I stipulate that I have been subjected, shall I say, to these issue advocacy campaigns myself. I don't like it. I would rather not be criticized. But, as a practical matter, the courts are not going to allow us to shut these people up just because we find what they say about us offensive.

The enforcement actions that I mentioned are just the tip of the iceberg, since many enforcement actions never progress beyond the administrative levels. But these administrative investigations can be equally chilling on free speech.

The FEC has attempted to buttress its position regulating issue advocacy by extensive regulatory proceedings resulting in the adoption of the following regulations, which have been invalidated by the courts.

The FEC has been on this mission to shut these people up for a long time. So they issued a variety of different regulations, 11 CFR 114.4(b)(5), which was invalidated in Faucher versus FEC, in 1991; 11 CFR 114.1(e)(2), invalidated in Chamber of Commerce versus FEC, in 1995; 11 CFR 100.22, invalidated in Maine Right to Life Committee versus FEC in 1996; 11 CFR 114.10, invalidated in Minnesota Citizens Concerned for Life versus FEC, in 1995; 11 CFR 114.4(c)(4) and (5) invalidated in Clifton versus Federal Election Commission, in 1996.

I don't know who these constitutional scholars are. I am not prepared to argue with the Senator from Arizona or the Senator from Wisconsin that they all went to law school. But this business of seeking to regulate the expressions of citizens against our voting records doesn't have any chance at all of being upheld in the courts. I would hope the Senate would not waste its time engaging in some ill-conceived idea here to try to keep people from criticizing our records. It is a clear violation of the first amendment.

So, it seems to this Senator that that is something we ought not to be engaging in. As the Senator from Arizona pointed out, that provision of McCain-Feingold remains largely the same as it was in the original version.

I see my friend from Wisconsin is on his feet and would like to engage in a colloquy. I had in mind asking him a few questions as well, so I will be happy to yield to him for a question.

Mr. FEINGOLD. Mr. President, I thank the Senator from Kentucky. I just want to go over a couple of points relating to the Brennan Center for Justice letter of September 22.

First of all, the Senator from Kentucky made a statement a few days prior to the release of that letter on national television. He said something to the effect as follows: RUSS does not have one single constitutional scholar who supports his position. So I can understand the Senator from Kentucky being a little tender about a letter signed by 126 constitutional scholars that says exactly what it says.

I would first like to ask the Senator from Kentucky if he ever heard any of us, either at the news conference or otherwise, purport that that letter included references to the issue of issue advocacy versus express advocacy?

Mr. MCCONNELL. I did not. I want to commend the Senator from Wisconsin for bringing that up, because it proves precisely my point, that the constitutional scholars are not certifying to the constitutionality of the issue advocacy or independent expenditure provisions of the bill. I think the Senator from Wisconsin has made an appropriate correction.

Mr. FEINGOLD. That is right, Mr. President, because this is nothing but a red herring. The Senator from Kentucky does not like what the letter says, so he is trying to pretend that we actually said it said something else, and then get me to say it did not say that.

Let me ask the Senator from Kentucky whether he, in reviewing the letter, recognizes that there are two main points to the letter, one is the view of these 126 scholars that a ban on soft money is constitutional; and, second, that a system that would provide voluntary incentives to candidates who agree to some limits on their spending would also be constitutional?

Mr. MCCONNELL. I would say to my friend from Wisconsin, that is precisely what I was saying. That is what the constitutional scholars, in the letter released by the Senator from Arizona and the Senator from Wisconsin, were talking about. It's their view of what a court would likely rule in the case of soft money and in the spending limits proposals, since dropped, that would apply to individual campaigns. That was precisely the point the Senator from Kentucky was trying to make, that the constitutional scholars are not certifying that they believe that provisions of the bill related to issue advocacy or independent expenditure are constitutional.

Mr. FEINGOLD. Of course the Senator from Kentucky is correct. The very reason we would have asked for such a letter to be signed by 126 constitutional scholars is that for years the Senator from Kentucky has said that it is unconstitutional to ban soft money, even though the Senator from Kentucky proposed a bill in the 103d Congress that would ban soft money himself. He has stood on the floor of the Senate repeatedly, year after year, and said that a system that would provide an incentive to a candidate to limit his or her spending is unconstitutional because, in his words, "It would put a gun to the head of a candidate, in effect forcing him or her to do so."

So watch the shifting constitutional argument. First, the Senator from Kentucky focused his debate last year against our bill on the PAC ban, which is no longer in the bill. Then he focused on the soft money ban. Then he focused on the issue of whether or not voluntary incentives could be given. In each case, the Senator from Kentucky concluded emphatically, on the floor and off the floor, that it is plainly unconstitutional. He does not have a leg to stand on anymore; 126 constitutional scholars have said to him: Wrong, wrong, and wrong.

So now he is moving to another discussion. Now he is going to put up another figleaf in front of this obvious attempt to keep the current system in the form of a——

Mr. McCONNELL. Mr. President, I would caution the Senator from Wisconsin that this is supposed to be a civil debate. I don't know whether he is violating rule XIX or not, but I have the floor.

The PRESIDING OFFICER. The Senator from Kentucky has the floor.

Mr. McCONNELL. I have yielded temporarily to the Senator from Wisconsin. I would like to have a debate about this constitutional principle.

Mr. FEINGOLD. Mr. President, I recognize the comments of the Senator from Kentucky. Let me just go back to a question, in fairness. The fact is that the provisions that we have placed in the bill, the modified bill, with regard to the issue of candidate advocacy versus issue advocacy are not identical——

Mr. McCONNELL. Is the Senator asking a question?

Mr. FEINGOLD. I am about to ask a question—are not identical to those in the bill last year. In fact, I would ask the Senator from Kentucky if he is aware that the provisions we have just put in the modification are different than any that we have introduced before?

Mr. McCONNELL. I would say, Mr. President, that I am aware the bill has been evolving. I am aware issue advocacy is different now, in the revised bill, than it was originally.

Mr. FEINGOLD. Will the Senator from Kentucky acknowledge that the notion of a bright-line test with regard to issue advocacy is not the same as some of the other approaches?

Mr. McCONNELL. Mr. President, regaining the floor, let me suggest to the Senator from Wisconsin that the bright-line test probably makes it even more unconstitutional. I think it is inconceivable that the courts would say that you can criticize a Member of Congress anytime you want to, except right before an election.

Let me say with regard to this ongoing discussion of constitutional scholars that I don't know how many of the constitutional scholars in the letter presented by the Senator from Arizona and the Senator from Wisconsin have actually practiced these cases in court. I don't know the answer to that. It could be that many of them have. But the American Civil Liberties Union, which was cocounsel to Senator Buckley in the 1996 case and has handled a lot of this litigation over the years, believes that the provisions of the McCain-Feingold substitute with regard to issue advocacy is unconstitutional.

The American Civil Liberties Union is America's expert on the first amendment. It is true that the Senator from Wisconsin has diligently searched for years and managed to come up with some folks who will sign a letter saying this is constitutional. I said last week I could probably find 126 people who say the Earth is flat. But, the experts on the first amendment, the American Civil Liberties Union, believe that these provisions are not constitutional.

Let me just read from a letter earlier this year, to me from the ACLU, regarding independent expenditure provisions in McCain-Feingold at that time.

> The new restrictions on independent expenditures improperly intrude upon that core area of electoral speech, and impermissibly invade the absolutely protected area of issue advocacy.

Mr. President, the ACLU went on:

> Two basic truths have emerged with crystal clarity after 20 years of campaign finance decisions—[20 years]. First, independent expenditures for express electoral advocacy by citizens groups about political candidates lie at the very core of the meaning and purpose of the first amendment. Second, issue advocacy by citizen groups lies totally outside the permissible area of Government regulation.

This bill assaults both principles.

So, Mr. President, I am not disputing for a moment that the Senators who are the principal sponsors of this bill have found some folks who went to law school who were certifying that they believe this bill is constitutional. But I am suggesting that the people who litigated in this area, the lawyers, the distinguished lawyers who have litigated in this area for the last 20 years, who were involved in the original case, the Buckley case, that went to the Supreme Court, believe that these provisions on independent expenditures and issue advocacy are fatally flawed.

I rest my case. I guess we can all sort of pick our own expert and decide who we want to rely on, depending upon the outcome that we want to achieve. But I think most people would believe that the first amendment lawyers at the American Civil Liberties Union know a little bit about this area of litigation.

I want to take a few moments to pose a few questions to my friend from Wisconsin, if I may.

(Mr. DEWINE assumed the chair.)

Mr. FEINGOLD. Mr. President, if I may, I have a couple of questions relating to the letter itself I would like to ask, and then I will be happy to yield for those questions, if I could, just with regard to the comments the Senator was just making.

If the Senator will yield for a question, does the Senator realize that the person who put the letter together, Mr. Burt Neuborne, New York University Law School, was the former executive director of the ACLU?

Mr. McCONNELL. Right. Also Professor Neuborne believes that the Buckley case was a mistake. He has been very candid about that. He believes that Thurgood Marshall was wrong when he said spending is speech. So Professor Neuborne, I would say, has been very candid about his views. He has a view that is contrary to the state of the law.

Mr. FEINGOLD. Doesn't the ACLU also take the position that the Buckley case was wrong?

Mr. McCONNELL. The ACLU didn't like every aspect of it. They didn't like the fact that the Court decided it was permissible to put a limit on contributions. The ACLU felt that even the contribution limit, Mr. President, was a violation of free speech. They didn't win that one, but they won the rest of the case.

Thurgood Marshall said spending is speech, and all nine Supreme Court Justices said spending is speech. I heard the Democratic leader out here Friday talking about a 5-to-4 case. It wasn't a 5-to-4 case. It was 9 to 0 that spending is speech. My friend from Wisconsin wanted to ask a question or observe——

Mr. FEINGOLD. Mr. President, does the Senator from Kentucky consider Lawrence W. Knowles, University of Louisville School of Law, qualified to discuss these issues?

Mr. McCONNELL. I don't know Larry Knowles, but a professor of mine at the University of Kentucky Law School I noticed was a signatory to your letter, I say to my friend from Wisconsin.

Mr. FEINGOLD. Thank you, Mr. President.

Mr. McCONNELL. One of my former professors is a signatory of your letter. I think we haven't persuaded him——

Mr. FEINGOLD. Can we safely assume the two signatories with a good

Kentucky background know what they are talking about?

Mr. McCONNELL. I don't know what they know about this kind of litigation and the first amendment, but I won't dispute the fact that 126 people signed this letter. I hope the Senator from Wisconsin won't dispute that Professor Neuborne disagreed with the Buckley decision, thinks it was wrong and for 24 years has been trying to argue that somehow the Court ought to reconsider this and change its mind even while the Court has been going more and more in the direction of permissible political speech.

So, Mr. President, I still have the floor, I believe, and if the Senator from Wisconsin is up for a few more questions, I would like to ask him a few.

I gather that the Senator from Wisconsin said last Friday—I know the Senator from Arizona did, too—that they hoped to offer an amendment to restore the individual spending limits on campaigns, if they were given such an opportunity. Is that correct?

Mr. FEINGOLD. Let me respond to that in a slightly different way. Another point I wanted to clear up in response to that question, the Senator from Kentucky is suggesting that there are no spending limits in our base bill. That is incorrect. Our bill, the modification that was just offered, does provide that a candidate who wants to get the coordinated party expenditure benefit from their party has to limit their personal wealth contribution to no more than $50,000.

So the fact is that provision, which these 126 constitutional scholars have suggested is perfectly constitutional, is in our base bill. The Senator is, of course, correct, that we do intend to add—in fairness to his comment—we do intend to add an amendment that would go further, that would, in fact, bring back some of the other proposed voluntary limits that would then be coupled with what we hope would be an incentive for reduced cost for television time. We hope to add that to the bill, but the concept is already in the base bill.

Mr. McCONNELL. I stand corrected, Mr. President. There is a partial spending limit in the remaining bill. In any event, I am sure I haven't mischaracterized the position of the Senator from Wisconsin. He likes spending limits. He thinks that too much money is being spent in American campaigns; is that correct?

Mr. FEINGOLD. It is not correct that I like mandatory spending limits, Mr. President. I believe that under the Buckley versus Valeo decision—which the Senator knows I accept because I oppose a constitutional amendment that would require mandatory spending limits—I believe that under that decision, it is permissible and appropriate to offer voluntary spending limits, and that is the kind of spending limit that I would support. I would not support a constitutional amendment, for example, to require mandatory spending limits.

Mr. McCONNELL. Well, Mr. President, the original McCain-Feingold bill seeks to, shall I say, entice people into limiting their spending, and the Senator has often said he thinks there is too much money in politics and we should be able to entice people into limiting their spending. So I would just like to ask the Senator how much is too much? How much spending is too much?

Mr. FEINGOLD. Mr. President, I don't believe it is my language that there is such a thing as too much money. It is all in context, and the context is this: If somebody chooses, as they may under their constitutional right, to spend as much as they want, I believe we should establish a system whereby a person who is challenging that person has a chance to at least get their message out.

So I don't have any theoretical limit that I believe in. If Michael Huffington wants to spend $30 million in California, that's his right, but it is my belief that we ought to provide some kind of incentive to those who would voluntarily limit their spending so they could have a fair chance to get their message out.

I don't accept the premise of the Senator's question, that I believe there is some sort of a magical number. What I want is some kind of fairness in the system, some kind of leveling the playing field so not just multimillionaires would get to participate.

Mr. McCONNELL. In the McCain-Feingold bill, there is a State-by-State formula for how much one would be permitted to spend if he "voluntarily" accepted the spending limit. Now, what would that add up to in the 1998 elections? Do you have a calculator there, or does your staff have a calculator to give us a sense—

Mr. FEINGOLD. You are asking about the total amounts for all the States put together?

Mr. McCONNELL. There is a formula in the McCain-Feingold bill, as I understand it, that specifies how much spending would be allowed in various States. Do you know what that would add up to in the 1998 election?

Mr. FEINGOLD. Of course, Mr. President, that is an inaccurate statement of what the bill does. It does not provide limits. It says only that if a person agrees to a stable or certain figure, depending on the size of the State, that those individuals would get the benefits provided by the bill. There is no automatic limit. Anyone can go over the limit if they want to, if they are willing to forfeit the benefits.

Mr. BENNETT. Mr. President, will the Senator yield for an additional question?

Mr. McCONNELL. I yield to the Senator from Utah for a question?

Mr. BENNETT. I recall in Friday's debate when the Senator from Arizona laid down the three fundamental purposes of McCain-Feingold, and the second of those three was to lessen the amount of money in politics. So I think the question of the Senator from Kentucky is a legitimate one: How much do the sponsors of McCain-Feingold want to lessen the amount of money in politics?

According to the Senator from Arizona, that is one of the three fundamental pillars of this, and I hope the two Senators will continue the colloquy until we get an answer to that question: How much do the sponsors of McCain-Feingold want to lessen the amount of money in politics?

Mr. McCONNELL. I thank my friend from Utah. Let me just read the formula that is in the McCain-Feingold bill. I say to my friend from Utah, that might be helpful in giving my colleague from Wisconsin an opportunity to answer the question, How much is too much?

The formula, as I understand it, in the original bill is $400,000 plus 30 cents times voting age population less than or equal to 4 million plus 25 cents times the voting age population greater than 4 million.

So in the case, I say to my friends from Utah and Wisconsin—but there is one State that is different. In the case of New Jersey, where they have only one VHF station, the formula is different. It is 80 cents and 70 cents instead of 30 cents and 25 cents. Moreover, the minimum general election limit is $950,000, maximum being $5,500,000. That is for any State, no matter how big. And then the primary is 67 percent of the general limit, and the runoff limit is 20 percent of the general.

I am a little confused here. I gather that means that you can spend more per voter in New Jersey than you can in Utah; is that right?

Mr. FEINGOLD. Is the question being posed to me?

Mr. McCONNELL. Yes, it is your bill. I want to ask you about it.

Mr. FEINGOLD. I will be happy to respond to that question. First of all, of course, this provision is not what is before us at this point. Nevertheless, I do believe in the system of overall voluntary spending limits, and the real driving force behind that is a concern about television costs. Any modifications or changes in the formula that had to do with a State-by-State difference without a doubt had something to do with the question of what does it cost to run a television campaign in a U.S. Senate race.

I find it slightly amusing that the Senators question me about language that my colleague from Arizona used about limiting spending in campaigns, when the Senator from Kentucky, in S. 7, 103d Congress, had a bill entitled "To

amend the Federal Election Campaign Act of 1971 to reduce special interest influence on elections, to increase competition in politics, to reduce campaign costs, and for other purposes."

The point is, actually all three of us agree that you should not mandatorily limit campaign spending.

Mr. MCCONNELL. But it is the hope of the Senator from Wisconsin that somebody would accept these "voluntary" spending limits.

Mr. FEINGOLD. Of course, it is my hope they would accept them, but only voluntarily, so that not a single person in this country is forced to give up their free speech rights. That is not a part of our bill. The whole premise of reducing the amount of money in politics is not to deny anyone their rights, but, in appropriate cases, to encourage people to limit their spending so we can have fair races, so we don't have a scenario like the one that we have now where a Senate race, on average, costs $4.5 million or $10 million or $15 million.

I would be curious if either the Senator from Utah or the Senator from Kentucky believe there is any amount of money that is inappropriate in terms of a U.S. Senate race?

Mr. MCCONNELL. If I may regain my time, the answer is I don't think the Government should be determining how much speech there is in any Senate race, I don't care what the size of the State is.

I see my friend from Utah standing up again. Here is an explanation that I think will help the Senator from Wisconsin. Obviously, he hopes that people will accept their spending limits and the provision in their measure that would make it pretty hard not to, because if you don't accept the spending limits, you have to pay way more for television than somebody who doesn't.

It is my view the courts would strike that down as unconstitutional because they are punishing you if you choose to express yourself too much. You get punished because you have to pay more for your broadcast time.

Clearly, the Senator from Wisconsin wants people to accept the spending limit, and I would argue the spending limit in the original McCain-Feingold is not voluntary at all because the Government basically has a gun to your head.

If you do not accept it, it costs you a heck of a lot of money. It gets back to this formula we were just discussing. The measure's spending limits are based on a formula that takes each State's voting age population into account. The basic general election spending limit is $400,000, plus 30 percent per voter up to 4 million of the voting age population and 25 percent per voter in excess of 4 million of the voting age population.

I say to my friend from Utah, it appears as if the voters in excess of 4 million do not get as much spent on them as the voters below 4 million. So presumably you do not speak as much to the people over 4 million as you do to the people under 4 million. But then the general election spending limit can be no lower than $950,000. So presumably if you are in a little State, it cannot go below $950,000 or more than $5.5 million in any State. That presumably would limit California to $5.5 million. Then the basic primary election spending is two-thirds of the general election spending limit, but not more than $2.75 million in any State.

If I could read on just a minute before taking the question of the Senator from Utah.

The proposed legislation creates some incredible anomalies that have been omitted from the public debate. Incredible? How else to describe a law, when figured on a per-voter basis, that would allow a Senatorial candidate in Wyoming to spend almost 11.5 times the amount that could be spent by a candidate in California?

With a 22.8 million voting age population, the biggest of any State, California, under the McCain-Feingold scheme, gets the biggest spending limit. If figured on the same basis as other States, California spending would be $10.5 million; but, in fact, it is capped at $5.5 million. But California is the only State where maximum spending limits, $5.5 million per general and $2.75 million for a primary election would be applied; thus, California's total campaign spending is $8.25 million for the general election, which works out, Mr. President, to about 24.1 cents per voter.

Not too far away from California, in Wyoming, the State with the least population where there are only 344,000 people of voting age, the spending limit would be $503,200 if it were not for the laws of minimum limit of $1.586 million, general election and primary election, $636,000. The general election spending limit works out to $2.74 per voter.

Mr. President, over in California under the spending limits regime in the McCain-Feingold bill, which is not in the substitute but will be offered as an amendment if given the opportunity, a voter in California is treated to 24.1 cents in campaigns while Wyoming is $2.76 per voter.

Putting this in a different perspective, the McCain-Feingold legislation allows senatorial candidates in California to engage in first amendment protective activity at a level of financial activity that is barely one-tenth of the amount that a candidate could spend in Wyoming. To achieve parity so that the voters in the two States receive the same level of general election campaigning from their U.S. Senate candidates would require California candidates to spend an amount that is 11.5 times greater than allowed in the McCain-Feingold bill, a whooping $63.25 million; or you could reduce the amount that could be spent in Wyoming to $82,600.

Now, why do I bother to mention this Mr. President? This is truly a Rube Goldberg scheme. "We are here from the Government to help you," and we have concocted this spending limit regime up here in the Government so that the voters in these various States will not be tainted by too much expression being directed at them in the course of their campaigns. But as often is the case when the Federal Government tries to micromanage something, particularly something so difficult as micromanaging political expression, you end up with a sort of absurd result.

Mr. President, the reason I talk about these spending limits is that they are in the original McCain-Feingold bill. Senator MCCAIN, Senator FEINGOLD do intend—if they have the opportunity—to offer that amendment to give the Senate an opportunity to go on record as saying that California voters only get 24.1 cents spent on them while Wyoming voters get $2.76. This scheme is something that they want us to sanction.

Mr. President, this is an extraordinarily difficult concept for people of average intelligence to understand. Besides the constitutionality problem, they are also saying that in order to speak more you have to pay more—and you do not get the broadcast discount—or if you decide to speak too much, you pay more for your speech. It is just one of the many problems with the spending limits regime with which the Senate has been confronted not just in this debate, but at various times over the last decade.

And I ask my friend from Utah, is a voter in Wyoming entitled to more of a campaign than a voter in California?

Mr. BENNETT. Mr. President, if I may respond to my friend from Kentucky, I know a little bit about campaigns in Wyoming because a large portion of the Wyoming electorate is served out of the television market headquartered in Salt Lake City, UT. As a consequence, voters in Utah were treated to attack ads telling us how terrible Mr. ENZI was in the last campaign. We had no idea who he was. I did not meet him until he was sworn in here. But I had seen all of the attack ads that were put on through the Salt Lake City television stations attacking the senatorial candidate in Wyoming.

By contrast, if I may, our friend from Delaware, Senator BIDEN, has told us that Delaware has no television outlets at all in the State. As a consequence, if he is going to run a television campaign in Delaware, he has to do all of his buying in Philadelphia, so that the voters of Pennsylvania get to hear all of the glories and beauties of JOE BIDEN, none of whom can vote for him because he cannot buy television time in Delaware.

What the Senator from Kentucky has demonstrated is how incredibly difficult it is to craft legislation that approaches the ideal sought by the Senators from Arizona and Wisconsin in a market-by-market, State-by-State, election-by-election circumstance. It is virtually impossible to do that. We ought to recognize that and defeat the whole thing out of hand.

Mr. MCCONNELL. Would it not be appropriate to say, I say to my friend from Utah, that the Government has no business doing that anyway?

Mr. BENNETT. Of course the Government has no business doing that. That is the point we made on Friday when we were having the debate. Even if we grant the argument raised by the Senator from Wisconsin and his 126 experts that it can be done in a way that is constitutional, we recognize that it cannot be done in a way that makes sense.

It is possible to craft a system that meets the narrow requirements of the Constitution in terms of protecting free speech, but it is not possible to do one in a way that makes any logical sense at all.

I had risen to ask my colleague this question about the example we have before us. We are being told this is constitutional because it is voluntary. And I suppose that is the reason these 126 scholars have signed the letter. As long as you agree in advance to give up your constitutional rights, then the Constitution will not defend you.

The Senator from Kentucky has said it isn't really voluntary. There is a huge incentive which the Senator from Kentucky describes as a gun pointed at your head to see to it that you are voluntary. So it is not voluntary. This is the question I had in mind.

We have an example before us of people giving up their constitutional rights in return for Federal dollars. There are some who are so unkind to call that a bribe. But in the Presidential system now, virtually every candidate for President accepts the bribe; that is, he or she accepts the Federal dollars in return for agreeing to limit their speech. The Senator from Wisconsin says, no, every American has a constitutional right not to accept that money and to go ahead on their own.

Isn't it true that the only two candidates who have been able to run for President without accepting the Federal money and mount anything approaching a worthwhile campaign are Ross Perot and Steve Forbes, both of whom approach billionaire status? Is that a correct summary of what the Presidential system that is constitutional has brought us to?

Mr. MCCONNELL. The Senator from Utah is entirely correct. Even people like Ronald Reagan, who opposed the Federal Election Campaign Act of 1974, always checked no on his tax return as a protest against using tax dollars for the Presidential campaign. He had no choice because the contribution limit on candidates for President was only $1,000. You simply could not raise enough to compete for President unless you accepted the bribe that the Government offered you to give you so much money to limit your speech. There was simply no choice. And that kind of choice, it seems to me, is similar to what we have here and is really quite unfortunate for candidates because it restricts their options.

If I may just for a moment go back to the spending limit analogy while my friend from Utah is still up, another example would be to compare New Jersey to New York, two States right next to each other. In New Jersey they are able to spend more money on a candidate than in New York, even though New York has more than twice as many voting age residents as New Jersey. Two States right next to each other, people commuting back and forth to work all the time, and yet somebody in the Government determines that the voters of New Jersey are entitled to more communication than the voters in New York under the formula in the original McCain-Feingold bill.

Does that strike the Senator from Utah as really very difficult to understand?

Mr. BENNETT. As I said at the outset, it demonstrates just how ridiculous it is for the Federal Government to get into the business of determining who can spend what and for how much in a constitutional way. You end up so contorted and distorted in your attempt to get around the obvious constitutional ban on this kind of nonsense that you create a circumstance that virtually no one can defend on practical grounds: More money going for a candidate in New Jersey than for a candidate in New York, different rules applying to a candidate in Delaware than apply to a candidate in Wyoming.

All of this is voluntary, but it becomes voluntary because there is a huge bribe out there waiting for you if you agree to give up your constitutional rights. I think it is absurd.

I was delighted over the weekend to read the comments of George Will, who said that this debate is one of the most fundamental we have had since the founding of the Republic. I had not thought to put McCain-Feingold in the same fashion that George Will does, but he describes it as similar to the speech codes adopted in many of our campuses, the excesses of the 1950's in the days of Joseph McCarthy, the 1920's speech activity, the Alien and Sedition Acts, but he says all of those are less significant in their threat to a fundamental liberty than this one because they came and went in the frenzy of the day. This one would leave behind a huge Federal bureaucracy aimed at producing exactly the kind of results the Senator from Kentucky is talking about, laying out that this candidate in this State can spend this much, and as soon as he steps across the State line, if he decided to run in another State, then the rules would change, the limits would change, the circumstances would change.

That kind of Federal bureaucracy intruding itself into the campaign even if it were through some tortuous method of gaining consent on the part of those involved, constitutionally it remains clearly violative of the spirit of the first amendment, if not the specific letter. I believe the courts would strike it down.

Mr. MCCONNELL. Mr. President, I see the Senator from Virginia is on his feet. I just want to make one wrapup observation about what the Senator from Utah was just talking about.

The George Will column to which he referred was in the Washington Post yesterday. And just to pick out some excerpts, Mr. Will said, "Nothing in American history * * * matches the menace to the First Amendment posed by campaign 'reforms' * * *"

Further, Mr. Will said, "Thus is the First Amendment nibbled away, like an artichoke devoured leaf by leaf," which is what the Senator from Utah was talking about.

And toward the end of the article he called this "the most important [debate] in American history" because really what we are talking about here is core political discussion in this country, as the Senator from Utah has pointed out.

Mr. President, I ask unanimous consent that George Will's column, the headline of which says "Here Come the Speech Police," be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From the Washington Post, Sept. 28, 1997]

HERE COME THE SPEECH POLICE

(By George F. Will)

Almost nothing that preoccupies Washington is as important as Washington thinks almost all its preoccupations are. But now Congress is considering some version of the McCain-Feingold bill, which raises "regime-level" questions. It would continue the change for the worse of American governance. And Washington's political class hopes the bill's real importance will be underestimated.

With a moralism disproportionate to the merits of their cause, members of that class—including the exhorting, collaborative media—are mounting an unprecedentedly sweeping attack on freedom of expression. Nothing in American history—not the left's recent campus "speech codes," not the right's depredations during 1950s McCarthyism or the 1920s "red scare," not the Alien and Sedition Acts of the 1790s—matches the menance to the First Amendment posed by campaign "reforms" advancing under the protective coloration of political hygiene.

Such earlier fevers were evanescent, leaving no institutional embodiments when particular passions abated. And they targeted speech of particular political content. What today's campaign reformers desire is a steadily thickening clot of laws and an enforcing bureaucracy to control both the quantity and the content of all discourse pertinent to politics. By the logic of their aims, reformers cannot stop short of that. This is so, regardless of the supposed modesty of the measure Congress is debating.

Reformers first empowered government to regulate "hard" money—that given to particular candidates. But there remains the "problem" of "soft" money—that given to parties for general political organizing and advocacy. Reformers call this a "loophole." Reformers use that word to stigmatize any silence of the law that allows unregulated political expression. So now reformers want to ban "soft" money. But the political class will not stop there.

Its patience is sorely tried by the insufferable public, which persists in exercising its First Amendment right of association to organize in groups as different as the Sierra Club and the National Rifle Association. One reason people so organize is to collectively exercise their First Amendment right of free speech pertinent to politics. Therefore reformers want to arm the speech police with additional powers to ration the permissible amount of "express advocacy," meaning speech by independent groups that advocates the election or defeat of an identifiable candidate.

But the political class will not stop there. Consider mere issue advocacy—say, a television commercial endorsing abortion rights, mentioning no candidate and not mentioning voting but broadcast in the context of a campaign in which two candidates differ about abortion rights. Such communications can influence the thinking of voters. Can't have that, other than on a short leash held by the government's speech police. So restriction of hard money begets restriction of soft, which begets regulation of issue advocacy—effectively, of all civic discourse.

The political class is not sliding reluctantly down a slippery slope, it is eagerly skiing down it, extending its regulation of political speech in order to make its life less stressful and more secure. Thus is the First Amendment nibbled away, like an artichoke devoured leaf by leaf.

This is an example of what has been called "the Latin Americanization" of American law—the proliferation of increasingly rococo laws in attempts to enforce fundamentally flawed laws. Reformers produce such laws from the bleak, paternalistic premise that unfettered participation in politics by means of financial support of political speech is a "problem" that must be "solved."

One reason the media are complacent about such restrictions on (others') political speech is that restrictions enhance the power of the media as the filters of political speech, and as unregulated participants in a shrunken national conversation. Has the newspaper in which this column is appearing ever editorialized to the effect that restrictions on political money—restrictions on the ability to buy broadcast time and print space and other things the Supreme Court calls "the indispensable conditions for meaningful communications"—do not restrict speech? If this newspaper ever does, ask the editors if they would accept revising the First Amendment to read:

"Congress shall make no law abridging the freedom of the press, but Congress can restrict the amount a newspaper may spend on editorial writers, reporters and newsprint."

As Sen. Mitch McConnell, the Kentucky Republican, and others filibuster to block enlargement of the federal speech-rationing machinery, theirs is arguably the most important filibuster in American history. Its importance will be attested by the obloquies they will receive from the herd of independent minds eager to empower the political class to extend controls over speech about itself.

Mr. McCONNELL. Mr. President, I yield for a question to the Senator from Virginia.

Mr. WARNER. Mr. President, I wonder at this point in time if I just might make some follow-on comments to my earlier observation. Would the Senator be agreeable?

Mr. McCONNELL. I will.

Mr. WARNER. Mr. President, earlier I talked in support, the strongest support, of the distinguished majority leader's amendment. Mr. President, I rise today to address the issue of campaign finance reform. As chairman of the Committee on Rules and Administration, I have spent a great deal of time with these issues over the past 2 years. I appreciate the effort by the majority leader to bring campaign finance reform to the floor for debate, and I welcome the opportunity to join in this important debate.

The Rules Committee has held 10 hearings in 1996 and 1997 concerning campaign finance reform issues. Many of these hearings dealt with the specific issues contained in the legislation commonly known as McCain-Feingold, such as soft money, free television time, regulation of issue advocacy, and spending caps. The committee has compiled a detailed record on these issues for the Senate. During these hearings, we have heard from many noted experts in this field, including many of the same witnesses who appeared before the Committee on Governmental Affairs last week.

My view of how the campaign finance debate will evolve is as follows. Democrats argue that the Republicans must rely even more on contributions from individuals—hard money—and less on large soft money contributions. Republicans argue that the Democrats, who have relied heavily on the involuntary confiscation of the dues of union members, must agree that union members must give their advance, written consent before a part of their paycheck should go to partisan political activities.

I received a letter from President Clinton last Tuesday in support of McCain-Feingold. He added that "any attempts to attach amendments that would make it unpalatable to one party or another are nothing less than attempts to defeat campaign finance reform." I understand that latest version of McCain-Feingold does not include a requirement that union members give prior, written consent before their dues could be used for partisan purposes. This Senator will support an amendment to add this requirement, and I say that if the Democrats decide to filibuster campaign finance legislation because it includes this provision, then it is they who are blocking true bipartisan reform, not the Republicans.

In the Rules Committee we have held a series of hearings on these issues that are being discussed here today. I want to focus on one particular hearing where we allowed both sides to come in and discuss compulsory deduction by unions. And we held this hearing. We had as a witness David Stewart, a member of the Transport Workers Union of America, local 514, located in Tulsa, OK.

I remember him very well. He was proudly in the hearing room in his basic working uniform. He testified, and I have extracted some of that testimony to read in this debate today, this very important debate. This is what this American worker said:

* * * I really do not agree with some of the Agendas and the Candidates that the union endorses. Yet, we are all required to fund these agendas and campaigns just by virtue of our membership in the Union.

This is a union man, Mr. President.

As I searched for relief from this unjust requirement, I found out about the "Beck Supreme Court Decision," which in effect gives a Union Member the right to a refund of the Non-Bargaining expenditures of the Union. The problem is, I must relinquish my Union Membership and the rights associated with that Membership to seek this refund. It is absurd to require me to fund the Contract Bargaining, Contract Enforcement and Administration of the Local, yet require me to forfeit my rights to a voice in these affairs, only because I oppose the Political Expenditures of the Union. I am not opposed to my requirement to belong to the Union. I still attend the Union meetings and enjoy having a voice in the affairs of the Union and my career, I am not willing to give up this activity to receive the refund afforded me by the "Beck Decision."

We also heard from Cindy Omlin, a former teacher from Washington State. She described the schemes by which her union illegally used her dues—that mandatory deduction—for political contribution. The unions got caught, but nonetheless they upped the amount of dues teachers were required to contribute for partisan activities. Our committee listened to these workers and they came forward at some risk to themselves to give this important testimony.

At the appropriate time I hope to ask the sponsors of this legislation whether or not they have taken it upon themselves to go out and talk to the workers and find out exactly how they feel about this onerous requirement of mandatory deduction. I will await the opportunity to talk to one or more of the sponsors or both on this point when they have that availability.

Now I have read that the new version of McCain-Feingold may include a provision to enforce the Beck decision and

require posting of notices that employees can receive refunds. This idea, although certainly better than the status quo, is not nearly good enough.

Effective enforcement of Beck is difficult at best. The posting of a small sign or a small note in a union magazine will not do. Many employees will never learn of their Beck rights, and unions will no doubt continue to set up substantial obstacles to exercising these rights. In our hearing, we heard how unions make the window for objecting very brief and it changes every year, with the notice often buried deep within lengthy union magazines.

Moreover, single employees are very poorly equipped to challenge accountings provided by union officials as to the breakdown of chargeable and nonchargeable activities. Also, an employee wishing to appeal this determination would need to hire his or her own attorneys and accountants for an arbitration run under rules established by the union. The financial disclosure forms filed by unions with the Labor Department, the LM-2, are notoriously useless in actually assisting employees to determine what percentage of their dues go to political activities.

All of these procedural hurdles are in addition to the stigmatization of objectors, officially called agency-fee payers. Often lists of objectors are published in union literature and cases of threatened violence are common.

I believe the only solution, and one that is not contained in the McCain-Feingold legislation, is to require prior, written consent before dues are confiscated. I am a cosponsor of Senator NICKLES' bill, the Paycheck Protection Act, which would rectify this egregious situation. Without this provision, we will not have fair campaign finance reform.

Mr. MCCONNELL. I want to thank the Senator from Virginia not only for the remarks he has made today but the way he has listened to all of those who have come forward at the Rules Committee over the period of his chairmanship. He and I, many times, were the only two there. He has been wonderful in giving an opportunity to a number of groups who, frankly, have had a difficult time giving testimony in the past, who typically have not been listened to. I think he has made a major contribution in providing some balance to this important constitutional debate.

Mr. WARNER. Mr. President, I thank my distinguished colleague. Indeed, we have not fully agreed on all provisions that are options throughout this whole realm of campaign finance, but fundamentally we certainly agree on the question of the mandatory deduction.

We went to the difficulty of finding witnesses and brought them to the hearing room and listened to their testimony.

It is ever so clear to this Senator, and I am sure the other members of the committee, that throughout America the workers want to be recognized for their ability to think for themselves and their ability to make decisions for themselves. This whole idea of mandatory deduction is against free will—I think, indeed, against the very essence of what freedom is all about.

I commend my distinguished colleague from Kentucky. Let us fight on in the cause of freedom.

Mr. MCCONNELL. Mr. President, I am happy to yield the floor. I see the Senator from Illinois is here desiring to speak.

Mr. DURBIN. I thank my colleague, the Senator from Kentucky for yielding. I only have a short period of time here, I say for the information of my colleague from Maine, and I appreciate this chance to rise and speak on this issue.

It has been said in debate that the columnist, George Will, has pronounced this as the most important debate in American history. I didn't want to miss it and that is why I came to the floor today. I will not question Mr. Will because he was reared and his early education took place in the State of Illinois, and somewhere or another he got off the course shortly afterwards, but at least we attribute his early training to Illinois' educational standards.

Is this the most important debate in American history? It may be, because what is at stake in this debate is not the amount of money that is being spent in a campaign, it is really not about the conduct of campaigns, it really doesn't have much to do with political action committees or labor unions or corporations or associations. What is at stake in this debate is the future of this democracy.

If that sounds hyperbolic, let me tell you why I say it. I am honestly, genuinely, personally concerned as a Member of this great institution, about the fact that the American people are losing interest in their Government. The clearest indication of that loss of interest is their participation in elections.

Now, why is it at this moment in time when the United States of America is obviously one of the most attractive places in the world to live, where we have to almost construct a fence and a wall around our borders to keep people from other nations from coming to the United States, why is it that at a time when our economy is booming, at a time when we are so proud of what we have achieved not only in this Nation but around the world, that the people we serve, the American voters, have decided they are not interested? And they have demonstrated that, unfortunately, in that quadrennial forum where we asked people to come forward and name the leader of this Nation.

Let me show you what I am talking about. I think it is interesting in this debate about campaigns and money and voters to take a look at what has happened in the United States of America in the last 36 years. This bar graph shows the amount of money that has been spent on campaigns at all levels, Federal through local. If you look it was a rather meager sum, $175 million, in the earliest years, and then skyrocketed up to $4 billion here in 1996.

So to entice people to vote, to interest them in candidates and interest them in campaigns, we have raised money in record sums and spent it on television, radio, direct mail, bumper stickers, emery boards, pocket combs and everything we can dream of, to say to the voters, "Look at me. Get interested. I'm running. I need your vote." Is it working? As we plow more money into this system, is it working? Well, the sad truth is, it is not.

Look at this percentage of those who vote in Presidential elections: Starting in 1960, 63.1 percent of the American people said the Kennedy-Nixon election is one that we consider critically important, our family is going to vote. Look what happened in this last election in November: 49.1 percent of the American people turned out to vote. We spent record numbers, dramatically increasing the amount of money on political campaigns, and the voters voted with their feet and stayed home. Isn't it curious that the more money we plow into our campaign system the fewer voters turn out?

Now let me just suggest something. If you happen to own a company selling a widget and say to your marketing department, "We are going to double our advertising. Next quarter we want to see what happens to sales," and you gave them twice as much money for advertising your widget, and they came back after the quarter was finished and said, "We have the report." You said, "What is it?" "Advertising went up 100 percent." "How about sales?" "Sales went down." What? Advertising went up and sales went down? Well, you could draw some conclusions. There was something wrong with the advertising or there may have been something wrong with the product. That is what this debate is about.

There is not only something wrong with the advertising, it has become so negative, so nasty, so dirty, that people are disgusted with it. There is something wrong with the products. Candidates for the House and Senate are losing their reputation or seeing their integrity maligned because we spend so much time grubbing for money. People believe that we are captives of special interest groups. And because they are sick of the style of campaign and because they have little or no confidence in those of us who wage the campaigns, they stay home.

The turnout for the Presidential election last November was the lowest percentage turnout in America for a Presidential election in 72 years. Now if Jay

Leno and David Letterman pronounced this election over in July, as they probably did, I don't think that explains it. I think there was something else at work here. The American voters are at best indifferent, and at worst, downright cynical about the system we use to elect people in the United States.

Let me also show you something that makes the case even more. I guess some people would argue, well, back in 1960 there must have been a higher percentage of people who were registered to vote. Well, that was not the case. Our figures start on this chart in 1964, and there were 64.6 percent of Americans registered to vote; if you remember, 63.1 percent of those turned out to vote.

Now, we have increased the franchise by making it easier to register to vote. You can register when you go to get a new license for your car or driver's license renewal, that sort of thing. So, more and more Americans are getting registered to vote. There is more participation. I think that is a healthy thing. I backed motor-voter. We are now up to 74.4 percent of eligible voters registered in America in the 1996 election. You can be proud of that.

People have said, "Yes, I will sign the form. I'm willing to go out and put my name on the voter rolls" knowing they may be called for jury duty or something else. They did it anyway. Then look what happened. Despite this dramatic increase in the people who are registering to vote, remember November 1996? Fewer than 50 percent of the American people then exercised their right to vote.

I think that is a telling commentary on this debate. If you listen to the arguments of my colleague from Kentucky, Senator MCCONNELL, and Senator BENNETT from Utah, who was on the floor the other day, and Speaker NEWT GINGRICH and others, they have analyzed the situation and said, clearly, the major problem with the American political system is, in their words, "We're just not spending enough money. We have to put more money in these campaigns. We have to get on television more and radio more, and mail more things to the American people. Then they will know we are out here."

Well, they know we are out here. They just aren't buying what we are selling. They are staying home. Those who argue that the best way to reform the system is to plow more money into the system have missed the point completely. Nine out of ten Americans—90 percent of them—believe that we spend too much in political campaigns, not too little.

Isn't it an oddity that we are at this point in our history where we are actually engaging in an argument as to whether or not a person's wealth should determine their ability to participate in a democracy? This is not a new debate. We have been through this one before. In the 19th century, the debate was cast in a different tone. If you wanted to vote, would you have to be a property owner? That is an evidence of wealth and stability, and some of our Founding Fathers said, well, that is a good indicator, and we should not let people vote unless they own property, and the States can determine the qualifications of electors. Let them put that in as a qualification.

We rejected that over 100 years ago and said that isn't what America is all about. Your participation with a vote should not have anything to do with whether you are wealthy or poor. If you are an American citizen, you are entitled to vote. Since the early part of this century, whether you are a man, a woman, black, white, or brown, whatever your ethnic heritage, whether you are poor as a church mouse or as rich as Donald Trump, you get the same one vote when you come to the polls.

Listen to this debate today. The debate today says, let's change this system and say that if you are wealthy in America—let's say you are a middle-aged, crazy millionaire who decided he wants to be in the House or Senate or a Governor, then you go out and spend your money, exercise your constitutional right, show your freedom of speech to go forward and ask for votes. If you happen to have more money than the next guy, your likelihood of winning is that much better. What I just said is not breakthrough; this is established fact. Candidates with more money and political campaigns usually win. That is a fact of life.

So my Republican friends who say, "All this system needs is more money," are basically saying, "If we can just get wealthier people interested in running for office or people who are drawing money in from wealthy interests, special interests, that is good for America, that is endorsement of our Bill of Rights, and that speaks well of our freedom of speech."

I don't buy that. I don't think the American people buy that.

As amendments are produced on the floor during the course of this debate which try to enshrine wealth as the keystone for American citizenship, I will oppose them. I hope Members on both sides will join me. It is a sad state of affairs in America if we have reached the point where, in fact, a person's wealth is a determinant as to whether they can be a successful candidate or be directly involved in our political process. That is what this debate is all about. That is why it could be historic in nature.

Let me address one particular example used in the debate Friday about a good friend of mine who passed away a little over a year ago. His name was Mike Synar. Mike was a Congressman from Oklahoma. He was proud to characterize himself as an "Okie from Muskogee." You have never met a political renegade like Mike Synar. I loved him. I loved his politics. He used to drive people crazy. He would vote on issues and know that, if he went home, people would be angry with him. He would get involved in issues that made everybody squirm and uneasy in their seats. That is just the way he was. He also decided to stack the deck against himself because he announced when he came to the House of Representatives, representing Muskogee, he wasn't going to take PAC money. Mike said, "I am going to take money from individuals, and I will rise or fall based on my friends supporting me, and so be it." He managed to survive for a number of years.

Then came 1994. All of the special interest groups that had been opposing him in the Halls of Congress decided to team up against him back home. In 1992, they had spent $750,000 to defeat Mike Synar. Who were these people? The National Rifle Association, the tobacco lobby, the western grazing interests. They came in, and did they debate Mike Synar on gun control in his district? No. Did they debate him on tobacco regulation? No. Did they debate him on whether or not we are too generous in the subsidies to western grazing? No. They came in and literally plowed hundreds of thousands of dollars into the campaign against him with negative ads on a variety of other subjects—and it was perfectly legal. Mike escaped it in 1992, but not in 1994.

The illustration on the floor made by one of my colleagues last Friday that somehow or other "Mike Synar, with $325,000, could not defeat an opponent who only had $10,000 and, therefore, money is not the determinate in an election," really overlooked the obvious. Mike Synar's money alone wasn't at risk. It was the money of a lot of special interest groups. He was defeated. He worked very hard for campaign finance reform and a lot of other issues that I have the highest respect for.

Let me just also say that I have heard a lot of argument from my colleagues on the Republican side that this debate is really about labor unions, and we have to get our hand on the fact that labor unions in the last election were so vocal and involved and spent so much money. Some estimate $35 million. That is an interesting premise for this debate because, if you look at the totals that were spent by labor and business, the business community dramatically outspent labor organizations in that campaign. Yet, many of the amendments which we will be considering have nothing to do with the business community being restricted, only labor unions.

I think some of my colleagues should take care to watch out for what is characterized as poison pills, or those amendments that will be put in the bill in the hope of killing the bill. It is an

old legislative ploy. Take an amendment adopted on the floor, which you are certain could never be part of the final legislation, show your heartfelt concern about campaign finance reform, knowing in your heart of hearts that it will go nowhere with a poison pill amendment. We are going to see a lot of these, I am afraid, during the course of this debate.

Let me address an issue that I think is critically important—television time. In the McCain-Feingold, as originally introduced, which I and 44 other Democratic Senators endorsed, which three of my Republican colleagues have joined in endorsing, including my colleague, the Senator from Maine, Senator COLLINS. I think the number may be up to four now, we have, in that original bill, provisions that would say to a candidate that we know what is costing money in campaigns. We know where you are putting your money.

When I ran for the Senate in Illinois and raised literally millions of dollars sitting on a telephone day after day calling strangers and begging them to contribute, the money that was coming in was going right out the front door for television. That is where I spent my money. Most major State candidates do the same. My colleague, Bob TORRICELLI of New Jersey, spent 84 percent of all the money he raised on television. Think about that. Try to buy a 30-second TV ad in New York City that costs $100,000, and you will understand very quickly how that could happen. In Illinois, over 80 percent of our money went into raising money and spending it on television.

I think it is a good illustration that if we don't address the reason campaigns are so expensive, we are not going to see any real reform. Now, the people who represent the television industry say you can't do that; you can't take away time that this station can sell to a private advertiser and give to it a political candidate. But they forgot something very basic. The people who own television stations and make a very handsome profit do it because they are using our airwaves—not the Senate's airwaves; the American people's airwaves. We own these airwaves. We license these companies, at no charge, to use our airwaves and make a profit. It is not unreasonable for us as a people to go back to these television stations and say we want to take a slight and tiny percentage of those airwaves and dedicate them to cleaning up the American election process, to make sure that the time is available for incumbents and challengers alike on a reduced level—or even free in some circumstances—so the voters can hear legitimate messages and we will clean up the message in the process. It won't be the drive-by shooting ads you see in campaigns. It will be informative. People will know where DURBIN stands on Social Security and where his opponent stands on Social Security. Things like that. That is not unreasonable. For the stations to say, "don't even touch it; we own the airwaves, not the American people," I think they need a reminder as to how this got started. They are licensed by this Government, representing the American people, to make their profits. Now the argument that we are going to take away reduced costs of TV time is troubling to me. If you don't reduce the cost of television, you will in fact continue to have political campaign costs skyrocketing. You will have men and women running for election and reelection to seats, spending the majority of their time raising money to pay for television.

So I think the original McCain-Feingold provision is absolutely essential. I think we should continue on not only to eliminate soft money, not only to reduce the cost of television, but also to go after issue ads that are actually candidate ads. Political candidates and those who work around us watch television more closely than anybody, because we search that screen during a campaign cycle to find the tiniest of print on the bottom of the TV commercials, which identifies who paid for it.

On the Saturday night before the election last November, bone weary, I pulled into my apartment in Chicago, and I was going to relax a little bit. It was in the closing days of the campaign. So I slumped down in a chair, grabbed the remote control to listen to Saturday Night Live. Somewhere between the news and Saturday Night Live, up pops four television commercials, one after the other, and every one of them blasting me. What a treat that was to sit in the chair and get pummeled by four different commercials.

The most unique thing was that not a single one was paid for by my opponent, the Republican Party in Illinois, or the National Republican Party. They were paid for by committees and organizations that most people never heard of. These are organizations which mushroom up during campaigns, take some high-sounding name, collect millions of dollars, undisclosed and unreported, and run ads, the most negative ads on television, against politicians. That is an outrage. It is an outrage that I have to account for every dollar I raise and spend and I have to identify the television commercials that I put on, either comparing my record with my opponent or speaking about something I believe in, and these groups can literally run roughshod over the system, spending millions of dollars without any accountability.

McCain-Feingold addresses that. Thank God it does. If we don't put an end to this outrage, most of these other reforms are meaningless. To eliminate soft money and to allow special interest groups, whether on the business or labor side, to continue to spend money unfettered in issue advocacy and the like is outrageous. The McCain-Feingold legislation is an idea whose time has come.

I hope that a number of my colleagues will step forward, as my colleague, the Senator from Maine, has done already. We have 49 votes, ladies and gentlemen, for McCain-Feingold. We need one more. Every Democrat has signed onto this bipartisan legislation. We now have four Republican Senators. We need one more. Who will it be? Who will step forward and say, "This is the most important debate in American history and I want to be on the right side of history"? I hope we can come up not only with that 50th vote, but with enough votes procedurally to keep this issue alive. The rules of the Senate, like cloture and filibuster and the like, allow people who in the name of good government, or whatever, can stop an issue in its tracks. I hope that doesn't happen. I hope we can debate this to its conclusion and have a real vote on real reform.

I yield the remainder of my time.

Ms. COLLINS addressed the Chair.

The PRESIDING OFFICER. The Senator from Maine is recognized.

PRIVILEGE OF THE FLOOR

Ms. COLLINS. Mr. President, I ask unanimous consent that Steve Diamond, from my staff, be accorded privileges of the floor for the duration of this debate.

The PRESIDING OFFICER. Without objection, it is so ordered.

Ms. COLLINS. Mr. President, I rise to urge my colleagues to seize this opportunity to make much-needed changes in our campaign finance laws by supporting the modified version of the McCain-Feingold legislation. I am pleased, Mr. President, to be a cosponsor of this landmark bill.

Shortly after becoming President of the United States, one of our former Presidents was asked what his biggest surprise was on assuming office. Without hesitation, he said it was his discovery that things were actually as bad as he had been saying they were during the campaign.

Mr. President, during my Senate campaign, I told the people of Maine that our Nation's campaign finance system is broken. Since my election, I have spent a great deal of my time questioning witnesses at the hearings held by the Governmental Affairs Committee. Unlike the former President, what I have discovered is not that things are as bad as I had been saying they were; it is that they are much worse.

The twin loopholes of soft money and bogus issue ads have virtually obliterated our campaign finance laws, leaving us with little more than a pile of legal rubble. We supposedly have restrictions on how much individuals can give to political parties; yet, Yogesh

Gandhi is able to contribute $325,000 to the DNC to buy a picture with the President, and Roger Tamraz mockingly tells a committee of the U.S. Senate that next time he will spend $600,000, rather than $300,000, to buy access to the White House. We supposedly prohibit corporations and unions from spending money on political campaigns; yet, the AFL–CIO spends $800,000 in Maine on so-called issue ads which anyone with an ounce of common sense recognized were designed to defeat a candidate for Congress.

We in this body decry legal loopholes, but we have reserved the largest ones for ourselves. Indeed, these loopholes are more like black holes, and that sucking sound you hear during election years is the whoosh of six-figure soft money donations rushing into party coffers.

Why should this matter, we are asked by those all too eager to equate freedom of speech with freedom to spend? It should matter because political equality is the essence of democracy, and an electoral system driven by big money is one lacking in political equality.

Mr. President, this is an issue of great concern to the people of my home State. While there are differences in Maine on how the system should be reformed—I, for one, do not believe that meaningful change requires that we make taxpayers underwrite campaigns—there does seem to be a stronger consensus in Maine than elsewhere on the need for reform.

If my colleagues will indulge me a bit of home State pride, I think the Maine perspective results from old fashioned Down East common sense. Maine people are able to see through the complexities of this debate. They focus on what is at heart a very simple and yet very profound problem. As long as we allow unlimited contributions—whether in the form of hard or soft money—we will not have political equality in this country.

It is not simply the lack of a level playing field for those seeking public office. What is more important is the lack of a level playing field for those seeking access to their government.

It strikes me that the Maine attitude may be shaped by the fact that many communities in my State still hold town meetings. I am not talking about the staged, televised town meeting which has become so fashionable of late. I am talking about a rough and tumble meeting held in the town office or the high school gym or the grange hall. Attend one of these sessions and you will observe an element of true democracy: People with more money do not get to speak longer and louder than people with less money. What is true at Maine town meetings is unfortunately not true in Washington.

Mr. President, let me address a very disquieting aspect of the debate on the McCain-Feingold bill; namely, the misinformation that is being spread about what the bill would do. In that connection, I would emphasize that McCain-Feingold does not bar issue advocacy. I will say that again because the legislation's opponents persist in misstating this point—McCain-Feingold does not, and I emphasize not, bar issue advocacy.

To explain this aspect of the bill in more detail, and to share with my colleagues an experience that contributed to my becoming a cosponsor, I need to go back to the 1996 race for Maine's First Congressional District in the House of Representatives. In the course of that election, the AFL–CIO spent $800,000 to defeat the Republican candidate. They did this by running a steady barrage of blatantly negative ads.

Now why am I protesting a national union, using money from its general treasury to run a saturation campaign of negative ads that may well have decided a Maine congressional race? Whatever our objection to such ads, isn't that perfectly legal? The answer is, or at least is supposed to be, no. Current law prohibits a union, as well as a corporation, from spending money, other than through a PAC, to influence an election for a Federal office.

That leads to another obvious question—if current law forbids unions from using non-PAC money to run ads to influence a Federal election, how was the AFL–CIO able to spend $800,000 to defeat a Republican congressional candidate in Maine? Mr. President, that question takes us to the heart of the problem and to the need for McCain-Feingold.

Unfortunately, some courts have interpreted "expressly advocating" to require that the ad use words such as "vote for" or "vote against" or "elect" or "defeat." If the ad avoids those magic words and makes at least a passing reference to an issue, as the AFL–CIO did in Maine, those courts concluded that it does not expressly advocate the election or defeat of a candidate, and the union may run it.

Mr. President, the situation I have described has led to the biggest sham in American politics. Nobody in Maine believed that the AFL–CIO's negative ads were for any purpose other than the defeat of a candidate. Indeed, at least one newspaper which endorsed the Democratic candidate blasted the union ads against his opponent. Ads of that nature make an absolute mockery out of the prohibition against unions and corporatings spending money on Federal elections.

The "express advocacy" provision in McCain-Feingold is designed to do away with this sham. Contrary to what some have said, it would not affect independent ads financed other than by a union or corporation, except to enhance the reporting requirements, which everyone in this body purports to favor. It also would not stop unions and corporations from running true issue ads.

Mr. President, I would say to my colleagues that if you believe, as I do, that it continues to represent sound public policy to prohibit unions from using their vast general funds to dictate the results of Federal elections, particularly in small States like Maine, then you should support McCain-Feingold.

Mr. President, let me also take a minute to explain the bright line test for express advocacy that has been the subject of ill-informed criticism during this debate. What that test would provide is that any television ad that clearly identifies a candidate and that is run within 60 days of an election would be deemed express advocacy.

I view the bright line test as a key provision of McCain-Feingold, and I support its inclusion for two reasons. First, the courts have said that for constitutional purposes, people must clearly know what they can and cannot do, something which the bright line test gives them.

Second, and contrary to what some opponents of the bill have said, the bright line test lessens the power of the Federal Election Commission. By having a clear standard, rather than one which requires a case-by-case analysis, the regulatory agency has less discretion to determine what the law should be and when actions should be brought. Thus, those who have argued both against the test and against a greater role for the FEC are in reality arguing with themselves.

Mr. President, this subject is more complex than any of us would like, but behind the complexity is a simple proposition. Current law has given rise to the widespread practice of running bogus issue ads, and that should not be allowed to continue. Those Members of this body who support the prohibition against unions and corporations using their vast resources to dictate the results of Federal elections should vote for McCain-Feingold. Those Members who do not support the prohibition should take the honest road and work for its repeal. The one unacceptable course is to perpetuate a sham that undermines the integrity of our election laws.

I look forward to debating this issue in the days ahead.

Thank you, Mr. President.

Mr. LEVIN addressed the Chair.

The PRESIDING OFFICER (Mr. HAGEL). The Senator from Michigan.

Mr. LEVIN. Mr. President, let me congratulate the Senators from Arizona, Wisconsin, Maine, and other Senators who have joined so strongly in this effort—an important bipartisan effort—to finally reform the campaign finance laws. The system is terribly broken. I think most of us know that, and

I hope enough of us will get together to really reform it properly.

The time has finally come for Congress to decide whether we are going to fix this system, which is in shambles, and fix the laws that are now doing so much damage to public confidence in our governmental operations. These laws are now so full of loopholes that what was intended to be limits on campaign contributions in effect are easily evaded. And if we are going to close those loopholes we must do it together. This will not happen if Democrats and Republicans do not come together. It is going to require that kind of a bipartisan effort if we are going to restore public confidence in this campaign finance system.

For the past couple of months, members of the Senate Governmental Affairs Committee have sat through hours and days of hearings on the failings of our campaign finance laws. We have asked dozens of witnesses hundreds of questions on the problems of the 1996 elections.

My constituents are asking me just one question. "Are you going to do something about it?" That is what they want to know. They have heard our questions. They have heard the answers. They know we have observed the witnesses. They have seen and heard the debate. And, of course, the majority who have not been able to watch the hearings personally know that the campaign finance system is a subject of great debate.

Yet the question I get wherever I go is, "Are you going to do something about it?" It is a simple question. It is a direct question. My answer is, "I hope so, and I am sure going to do everything I can to see that we finally do in fact close the loopholes that have made a shambles of the laws that are supposed to set limits on how much money could be contributed by individuals to our campaigns."

The Senate hearings have focused much of their time on allegations of illegal conduct in the 1996 elections. But the vast majority of what the public doesn't like is not what is illegal, although they surely don't like that. It is what is legal. Most of it involves the so-called soft money or unregulated money because both parties have gotten around the law of the 1970's by establishing a whole separate world of campaign finance. That is the world of so-called soft money—contributions that are not technically covered by the limits under current law.

In the 1996 election, the Republican Party raised more than $140 million in soft money. The Democrats raised over $120 million.

That is how we get to these enormous sums of money in the last campaign, like the $1.3 million to the Republican National Committee from just one company in 1996 and a $450,000 contribution from just one couple to the Democratic National Committee the same year.

Once that soft money loophole was opened and once that loophole was viewed as being legal, the money chase was on, and that chase has been carried on by both parties. When you couple that with the high cost of television advertising, you have the money chase involving just about all candidates. The chase for money has led most of us in public office or seeking public office to push the envelope and to take the law to the limits in order to get the necessary contributions. The money chase pressures political supporters to cross lines that they should not in order to help their candidates get needed funds. The money chase in political campaigns is a serious disease and it has become chronic. Most of us have been affected by it. Most of us have spent too much time fundraising and in the process pushing the fundraising rules to their limits. We know in our hearts that the money chase is a bipartisan problem and that bipartisan reform is the right way to go.

If the Senate hearings have exposed illegal practices that would otherwise go unpunished, that is useful. If the hearings have also exposed activities that are currently allowed but which should not be, and if that arouses public opinion so that Congress will end the money hunt, that would be a major contribution. But if those hearings leave no solid record of legislative reform behind, we will have done something far worse than missing an opportunity. We will be deepening public pessimism and thickening the public gloom about this democracy's ability to restore public confidence in the financing of our campaigns and our elections. And that is why I believe the enactment of major campaign finance reform is so critical. Existing law says that individuals cannot contribute more than $1,000 now to any candidate or political committee with respect to any election for Federal office. Existing law says that corporations and unions can't contribute at all to those candidates. And Presidential campaigns are supposed to be financed with public funds. That is the law on the books today. And yet we have all heard stories of contributions of hundreds of thousands of dollars from individuals, from corporations and from unions—Roger Tamraz giving $300,000 to Democrats. What happened to the $1,000 contribution limit?

Here is a Democratic National Committee document relative to DNC trustees. These are major contributors, I think $100,000, and they're offered various events to attend if they make that large contribution. What are the events? The events are two annual trustee events with the President in Washington. That is just an offer of access for contributions. But these are not the contributions that the law is supposed to limit to $1,000 for each candidates. These are $100,000 contributions. These are the soft money contributions. And these are the connections to access. Both parties do it.

Here is the 1997 RNC Annual Gala, May 13, 1997. Right in the middle of all of this angst, all of this concern about big money and access, it has this dinner. It is open, nothing hidden about this. Cochairman of the Republican National Committee Annual Gala, $250,000 fundraising goal.

What do you do? You sell or purchase, sell or purchase, Team 100 memberships or Republican Eagle memberships. That's $100,000 I believe for Team 100. And what do you get? You get, among other things, luncheon with the Republican Senate and House committee chairman of your choice. It is the open offer of access in exchange for a contribution, and the contribution is soft money. It is not the $1,000 contribution to come to a dinner. It is give or raise $250,000 and you get lunch with the committee chairman of your choice. It is like the Democratic National Committee offer, give $100,000 and you get two receptions with the President.

Now, one of the ways we are going to stop this abhorrent offer of sale of access in exchange for contributions is if we get to the soft money loophole it is the most direct way to get to it. Here are some other examples, recent examples of soft money. This is, I believe, a Team 100 document, a Republican document called hot prospects. Who is the third prospect? Some retired inventor. And here is what the document says.

> We are working on getting him an appointment with Dick Armey so we can get his other $50,000.

These are documents which came up in our investigation, in our hearings. We can get his other $50,000 if we can get him an appointment with DICK ARMEY. The public sees that and they respond the way I respond. That is abhorrent. What are we doing, offering access in exchange for a contribution? And the amount of money here is abhorrent. "His other $50,000." That means he has already given $50,000. Here is a total of $100,000. What happened to the $1,000 limit?

We thought there was a law. The problem is that in the race to compete and to win in our Federal elections, candidates and parties have found a way around the law. And that is the soft money loophole. Hard money, the contributions which are regulated by campaign finance laws, is, indeed, hard money. It is harder to come by. So soft money is easier to raise. You can get $100,000 or $500,000 from just one corporation or individual. You don't have to go to 500 different people and raise $1,000, and you don't have to go to 5,000 people and raise $100 the way you do with hard money. You can just find one person, one corporation wealthy

enough or willing enough to pay a half-million dollars and then you accept that contribution.

Now, there is another part of the current law which says if you spend money in an election in support of a candidate or opposed to a candidate, you have to spend money that is only raised the hard way, following the limit. But one of the greatest areas of abuse in the 1996 election was the use of hundreds of millions of dollars of unregulated, unlimited, and undisclosed money to broadcast so-called issue ads just before an election—ads that any reasonable viewer would interpret as attacking or supporting a particular candidate.

Here is an example of one of these so-called issue ads. This was an ad that was run against Congressman CAL DOOLEY in California. This ad was paid for with unregulated, unlimited dollars. It read as follows:

Congressman Cal Dooley makes choices for you and your family.

Cal Dooley said "no" to increased money for federal prisons. Instead, Dooley gave money to lawyers. Lawyers that used taxpayer's money to sue on behalf of prison inmates and illegal aliens.

Cal Dooley said "no" to increased money for drug enforcement. Instead, Dooley gave your money to radical lawyers who represented drug dealers.

Is Cal Dooley making the right choices for you?

That is a so-called issue ad, at least it was called, because it didn't use the magic words "vote for," "vote against," "elect," "defeat."

And that is paid for with unlimited dollars. But here is the same ad with one of the magic words:

Congressman Cal Dooley makes choices for you and your family.

Cal Dooley said "no" to increased money for Federal prisons. Instead, Dooley gave the money to lawyers that used taxpayer's money to sue on behalf of prison inmates and illegal aliens.

Cal Dooley said "no" to increased money for drug enforcement. Instead, Dooley gave your money to radical lawyers who represented drug dealers.

Is Cal Dooley making the right choices for you?

That is the exact same ad except in this version I have added the following words: "Defeat Cal Dooley."

All of a sudden the same ad becomes an ad which under the current approach of some has to be paid for in hard dollars. If you put that ad on and then comply with the election limits, you could go to jail. But if you put the first ad on and just said, "Is Cal Dooley making the right choices for you?" You can put on millions of dollars of advertising. No one knows where it is coming from, no restrictions, the exact same ad with the same effect except for one word.

Now, any viewer looking at that ad is going to say that both ads have the same effect. They are both attack ads. They are both attacking a candidate. And yet one of those ads, if paid for with dollars that are supposed to be limited but weren't, could actually put the person who put that ad on either in jail or given a fine. The other ad, unlimited soft money.

In the real world, there is no difference between those ads. The Supreme Court has ruled that the second ad, with the word "defeat," must be paid for with limited dollars. This is a candidate advocacy ad, and that is what the Supreme Court has ruled. It is said that we can require that ads which explicitly call for the election or defeat of a candidate must be paid for in limited dollars. But the first ad which I have put up is the functional equivalent of the second ad. It is the apparent equivalent of the second ad. It is the real world equivalent of the second ad.

This bill, which has been introduced today, would treat these two ads the same legally because they have the same apparent effect, the same functional effect, the same real world effect, the same practical effect. There is no difference between those ads except for one word. And to our constituents there is no difference when they see those two ads.

We believe that the Supreme Court, because we maintain a bright-line test, will permit this law to stand. That is our hope, and that is our belief. It is based on the real world, the real world of our constituents who, when they see those two ads I have just read, see and hear no difference between them because they know that the first ad is an ad that is attacking a candidate just the way the second ad does and there is no real world difference between those two ads.

Now, we intended corporations and unions not be allowed to contribute to candidates. That is the intention of the current law. Corporations are not supposed to contribute except through political action committees. Unions are not supposed to contribute except through very limited means.

How is it then that, for instance, corporations contribute millions of dollars? The same thing can be said for unions—millions of dollars to these campaigns which do not comply with the current law? Congress is permitted to restrict the contributions of corporations and unions. That was a decision in the Austin case where Justice Thurgood Marshall said that "we, therefore, have recognized the compelling governmental interest in preventing corruption supports the restriction of the influence of political war chests funded through the corporate form."

Justice Marshall said, speaking for the Court, "Regardless of whether this danger of financial quid pro quo corruption may be sufficient to justify a restriction on independent expenditures, Michigan's regulation," which was the regulation on corporate contributions at issue, "aims at a different type of corruption in the political arena, the corrosive and distorting effects of immense aggregations of wealth that are accumulated with the help of the corporate form and have little or no correlation to the public support for the corporation's political ideas."

And then he went on:

Corporate wealth can unfairly influence elections when it is deployed in the form of independent expenditures just as it can when it assumes the guise of political contribution.

We intended to restrict corporate contributions to candidates. We intended, in our law, to say that corporations cannot contribute to candidates at all except through the very strict rules for political action committees. Yet we have corporations and unions, both, contributing millions of dollars that effectively get involved in campaigns and effectively go to either help candidates or hurt candidates. It is that same soft money loophole that allows the frustration of congressional intent.

Our intent was clear. The Supreme Court has held that our intent is legitimate; that where there is an express advocacy in a campaign for the defeat or the election of a candidate, that we are right, we are permitted, it is allowed for Congress to restrict those kinds of contributions. That effort on the part of Congress over 20 years ago to restrict corporate and union contributions has also been frustrated by the soft money loophole. We are determined to close that loophole. We are also determined to make it very clear that advertisements, which are functionally the same, that have the exact same effect on the effort to defeat or elect a candidate, be treated the same. That is part of this bill, the so-called independent expenditure part, or issue advocacy part. We simply are adopting another very bright bright-line test.

The Supreme Court did not say it was the only bright-line test. The Supreme Court said that a bright-line test was necessary, relative to satisfactory compliance with the first amendment. And it gave an example of a bright-line test, an example which was realistic in the world of the 1970's. But another bright-line test is necessary now because the first test that we adopted, that the Supreme Court used as an example, has been evaded. And the rules that were permitted by the Supreme Court to apply, the law which the Supreme Court said was appropriate to enact relative to advocacy—to the election or defeat of a candidate—that has been frustrated, it has been evaded, and we are now simply trying to implement it in another way which is fully compliant, we believe, with the first amendment.

There has been a new study by the Annenberg Public Policy Center, which

estimates that during the 1996 election cycle, as much as $150 million was spent on so-called issue ads by political parties and groups other than candidates. Their research shows that half of those ads favored Democrats and half favored Republicans. It found that nearly 90 percent mentioned a candidate by name and, compared to other types of political advertising, these so-called issue ads were the highest in pure attack.

Mr. President I ask unanimous consent that a summary of the Annenberg Center study be inserted in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

ANNENBERG PUBLIC POLICY CENTER ANALYSIS OF BROADCAST ISSUE ADVOCACY ADS, SEPTEMBER 1997

A national survey of 1,026 registered voters commissioned by the Annenberg Public Policy Center shortly after election day showed that a majority of voters (57.6%) recalled seeing an issue advertisement during the 1996 campaign. When compared to other political communications, using data collected from the same national survey viewership of issue advertisements ranked below that of presidential candidate-sponsored advertising and debates. More voters recalled seeing issue advertisements than recalled watching at least one of the short speeches delivered by President Clinton and Robert Dole using free air time donated by broadcast networks.

The Annenberg Public Policy Center has compiled an archive of 107 issue advocacy advertisements that aired on television or radio during the 1996 election cycle. These ads were sponsored by 27 separate organizations. Data about the content of these advertisements are summarized below. The following figures are percentages of produced advertisements, which do not take into account differential airing and reach of the ads. In addition, although the Center's archive does include independent expenditure advertisements aired by parties and advocacy organizations, only the issue ads are included in this analysis.

As noted earlier, issue advertisements are those that do not expressly advocate the election or defeat of a candidate. If the ads do not call for viewers or listeners to cast a vote in a particular manner, what action do they call for? In many cases, the advertisement makes no call to action at all. Our analysis shows that one-quarter of issue ads (25.2%) contained no action step. Of those issue ads produced in 1996 that did solicit some actions on the part of the audience, the greatest proportion asked voters to "call" a public official or candidate (37.4%). Some asked individuals to "tell" or "let a public official know" one's support for or disapproval of particular policy positions (16.8%), while others asked that a call be placed directly to the advocacy organization sponsoring the ad (15.9%). A few of the advertisements called for support or opposition to pending legislation (4.7%).

Despite the presence of clear calls to action, many advertisements did not provide information, such as a phone number or address, to enable the individual to carry out the action. One in three (31.3%) issue ads that suggest action did not provide sufficient actionable information.

During the 1996 election cycle, it was the norm for issue advertisements to refer to public officials or candidates for office by name. Early nine in ten did so. It was also common for television issue advertisements to picture officials and candidates:

Both ends of the political spectrum were represented in issue advertising campaigns. Based on the number of advertisements produced, ads generally supportive of Democratic positions and those generally aligned with Republican positions were evenly split. Each accounted for 48.6% of the total. A few advertisements (2.8%), on term limits and flag burning, were not categorized as Democratic or Republican.

While issue advertising echoed many dominant campaign themes, it also raised issues not addressed by the major party presidential candidates. For instance, abortion, gay rights, pension security, product liability reform, and term limits were among the topics that appeared in issue advocacy advertising, but were largely absent from the policy debate among the presidential candidates.

Medicare was the topic most frequently mentioned in the issue advocacy advertising of 1996. One in four advocacy ads (24.3%) mentioned the issue.

Consistent with prior Annenberg Public Policy Center research on the discourse of political campaigns, we divided issue advertisements into their central arguments. Arguments were categorized as advocacy (a case made only for the position supported by the ad's sponsor), pure attack (a case made only against the opposing position), and comparison (an argument that pairs a case against the opposition with a case for the sponsor's position). Comparison is considered preferable to pure attack because it allows evaluation of alternative positions. Pure attack contributes to the negative tone of political campaigns.

Compared to other discursive forms, including presidential candidate ads, debates, free time speeches and news coverage of the campaign (both television and print), issue advertisements aired in 1996 were the highest in pure attack. Two in five arguments in issue ads attacked.

Arguments in issue ads were less likely to compare positions than debates, free time speeches, and ads sponsored by the presidential candidates.

Because pure attack and comparison accounted for 81.3% of the arguments, so-called "advocacy ads" rarely simply advocated their own position. Pure advocacy appeared in fewer than one in five of the ads (18.7%).

Mr. LEVIN. So the result is now a vicious combination, outside of the limits of our campaign finance laws, of, one, huge amounts of money; two, funding the worst type of campaign attack ads. And the net result is that the exceptions to our campaign finance laws have swallowed the rules. The rules basically no longer exist. It is up to this body and to the House to restore limits—restore some fences around contributions so what we intended to do, and the portion of what we did that was affirmed by the Supreme Court in the Buckley case, can be operative in the real political world that we operate in.

It is a daunting task to plug these loopholes, to make the law whole again—to make it whole, to make it effective. If we don't do this, if we do not act on a bipartisan basis and adopt real campaign reform, and if we do not make real what Congress intended to do 20 years ago, and which the Supreme Court has said we can do, where the advocacy of the election or defeat of a candidate is involved—we are allowed to act relative to campaign contributions. We know that. We were told that in Buckley. Providing our aim is at those contributions which go to the effort to elect or defeat a candidate, we are permitted to act providing we act in a way which is clear and has a bright line, and which is aimed at a problem, a societal problem which we identify. Clean elections are something that we are allowed to seek to achieve. We are allowed to seek to achieve the reduction of the impact of aggregated money by corporations and power by corporations and unions. That has been permitted by the Supreme Court. It is up to us, now, to fashion a bill which complies with those standards and we believe this bill does.

If we do not do it, if we do not put a stop to the money chase and the attack ads that are overwhelming the system and disgusting the American people, we will let down our constituents. Marlin Fitzwater, who was the press secretary for President Bush, made this statement in April 1992. He made this statement following a dinner for President Bush, at which the major contributors, soft money contributors, were offered access, private receptions with the President in the White House. It was a very open offer of access in exchange for major contributions, contributions of soft money. This is what Marlin Fitzwater said very openly and honestly in April 1992, following that dinner: "It buys access to the system, yes. That's what the political parties and the political operation is all about."

He spoke the truth. He spoke the tragic truth that buying access to the system is what the political operation is all about and, too often, what the political parties are all about. We have to change that. We have to restore to the political process what the political parties and the political operations should be all about, which is listening to people, communicating with people, organizing people, grassroots effort—yes, raising contributions in small amounts, limited amounts as we intended to do in the 1970's when we passed that law. That is what the political operation and the political parties should be all about.

But whether or not they are going to, again, be about that instead of about raising $50,000 and $100,000 and $250,000 and $1 million in soft money, which is spent in the functionally equivalent way—the same way, apparently, as the so-called hard money—whether we are going to be able to do that is going to be dependent on whether or not we can pull together Democrats and Republicans as Americans, realize that we have a sick system of campaign finance

raising and money raising, and change it—close the loopholes, respond to the demand of the American people that the money chase and the excessive contributions and the attack ads end.

In the next week or two, that is a decision we are going to make. I believe the majority of the Senate will support significant reforms and the President has said he will work for the passage of McCain-Feingold and will sign it with enthusiasm. The time for waiting while we document further campaign abuses that we all know exist is over. The time for ending those abuses is here.

I want to close by again commending the sponsors of the bill for their steadfast efforts and their commitment to campaign finance reform. It is a privilege to be part of their cause.

I ask unanimous consent that a number of documents be printed in the RECORD including the campaign television advertisements that were involved in the Cal Dooley campaign and in the Bill Yellowtail campaign. I ask unanimous consent they be printed in the RECORD at this time. I yield the floor and thank the Chair.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

CITIZENS FOR REFORM AD

Congressman Cal Dooley makes choices for you and your family.

Cal Dooley said "no" to increased money for federal prisons.

Instead, Dooley gave the money to lawyers. Lawyers that used taxpayers' money to sue on behalf of prison inmates and illegal aliens.

Cal Cooley said "no" to increased money for drug enforcement.

Instead, Dooley gave your money to radical lawyers who represented drug dealers.

Is Cal Dooley making the right choices for you?

CITIZENS FOR REFORM AD AS MODIFIED

Congressman Cal Dooley makes choices for you and your family.

Cal Dooley said "no" to increased money for federal prisons.

Instead, Dooley gave the money to lawyers. Lawyers that used taxpayers' money to sue on behalf of prison inmates and illegal aliens.

Cal Dooley said "no" to increased money for drug enforcement.

Instead, Dooley gave your money to radical lawyers who represented drug dealers.

Is Cal Dooley making the right choices for you?

Defeat Cal Dooley.

CITIZENS FOR REFORM (AS AD RAN)

NEGATIVE TV AD ON WIFE BEATING AND CRIMINAL RECORD

Who is Bill Yellowtail?

He preaches family values, but he took a swing at his wife.

Yellowtail's explanation?

He only slapped her, but her nose was not broken.

He talks law and order, but is himself a convicted criminal.

And though he talks about protecting children, Yellowtail failed to make his own child support payments, then voted against child support enforcement.

Call Bill Yellowtail and tell him we don't approve of his wrongful behavior.

CITIZENS FOR REFORM (WITH CHANGED LAST LINE)

NEGATIVE TV AD ON WIFE BEATING AND CRIMINAL RECORD

Who is Bill Yellowtail?

He preaches family values, but he took a swing at his wife.

Yellowtail's explanation?

He only slapped her, but her nose was not broken.

He talks law and order, but is himself a convicted criminal.

And though he talks about protecting children, Yellowtail failed to make his own child support payments, then voted against child support enforcement.

Call Bill Yellowtail and tell him we don't approve of his wrongful behavior.

Vote Against Bill Yellowtail.

DEMOCRATIC NATIONAL COMMITTEE TRUSTEE—EVENTS & MEMBERSHIP REQUIREMENTS

EVENTS

Two annual trustee events with the President in Washington, DC.

Two annual trustee events with the Vice President in Washington, DC.

Annual economic trade missions: Beginning in 1994, DNC Trustees will be invited to join Party leadership as they travel abroad to examine current and developing political and economic matters in other countries.

Two annual retreats/issue conferences: One will be held in Washington and another at an executive conference center. Both will offer Trustees the opportunity to interact with leaders from Washington as well as participate in exclusive issue briefings.

Invitations to home town briefings: Chairman Wilhelm and other senior Administration officials have plans to visit all 50 states. Whenever possible, impromptu briefings with local Trustees will be placed on the schedule. You will get the latest word from Washington on issues affecting the communities where you live and work.

Monthly policy briefings: Briefings are held monthly in Washington with key administration officials and members of Congress. Briefings cover such topics as health care reform, welfare reform, and economic policy.

VIP status: DNC trustees will get VIP status at the 1996 DNC Convention with tickets to restricted events, private parties as well as pre- and post-convention celebrations.

DNC staff contact: Trustees will have a DNC staff member specifically assigned to them, ready to assist and respond to requests for information.

1997 RNC ANNUAL GALA, MAY 13, 1997, WASHINGTON HILTON, WASHINGTON, DC

GALA LEADERSHIP COMMITTEE

Cochairman—$250,000 fundraising goal: Sell or purchase Team 100 memberships, Republican Eagles memberships or dinner tables. Dais seating at the gala; breakfast and photo opportunities with Senate Majority Leader Trent Lott and Speaker of the House Newt Gingrich on May 13, 1997; luncheon with Republican Senate and House Leadership and the Republican Senate and House Committee Chairmen of your choice; and private reception with Republican Governors prior to the gala.

Vice chairman—$100,000 fundraising goal: Sell or purchase Team 100 memberships, Republican Eagles memberships or dinner tables. Preferential seating at the gala dinner with the VIP of your choice; breakfast and photo opportunities with Senate Majority Leader Trent Lott and Speaker of the House Newt Gingrich on May 13, 1997; luncheon with Republican Senate and House Leadership and the Republican Senate and House Committee Chairmen of your choice; and private reception with Republican Governors prior to the gala.

Deputy chairman—$45,000 fundraising goal: Sell or purchase three (3) dinner tables or three (3) Republican Eagles memberships. Preferential seating at the gala dinner with the VIP of your choice; luncheon with Republican Senate and House Leadership and the Republican Senate and House Committee Chairmen of your choice; and private reception with Republican Governors prior to the gala.

Dinner committee—$15,000 fundraising goal: Sell or purchase one (1) dinner table. Preferential seating at the gala dinner with the VIP of your choice; and VIP reception at the gala with the Republican members of the Senate and House Leadership.

(Benefits pending final confirmation of the Members of Congress schedules.)

MEMORANDUM

To: Tim Barnes, Kelley Goodsell.

From: Kevin Kellum.

Re: Hot prospects.

These prospects are not "real hot", but are very realistic.

Gino Palucci, Palucci Pizza. Eric Javits has spoken with Gino who has committed to join Team 100. He asked me to call Gino's money man in D.C. (Henry Cashen) who is in charge of fascilitating these transactions. I have spoken with Henry who said he would get back to me and have since placed a couple of calls to his office with no response. I will call him again next week.

Ron Ricks, President, Southwest Airlines. Asst: Linda. Herb Vest has spoken with Ron and said he committed to joining Team 100, but since then Nancy has called and left a message with no return call. I will call his office next week.

Ole Nilssen (HOT), Retired inventor. We are working on getting him an appointment with Dick Armey, so we can get his other $50,000. We had a meeting set up for this week, but Armey cancelled his Florida leg of his trip.

The PRESIDING OFFICER. The Senator from Arizona.

Mr. McCAIN. Mr. President, I think, with some research by some very excellent staff members, we may have a basis for an agreement here. I really believe we have a very strong chance, because I think we can use, to a large degree, as a basis for our negotiations, not so much the McCain-Feingold bill but the bill that was introduced as S. 7 by Senator Robert Dole and Senator McCONNELL on January 31, 1993.

This was S. 7, remembering in those days on this side of the aisle the Republicans were in the minority, so the majority had the first five bills and the minority, the Republicans, had the next five. This is S. 7, so I don't know what 6 was, but this was the second one.

I want to talk about this a little bit because I think it is important. This is a bill that Senator McCONNELL introduced and spoke on with Senator Dole.

I think it is very important. The bill was introduced in the Senate on Thursday, January 21, 1993 by Senator Robert Dole. At the present time there are 24 cosponsors of the bill—24 Republicans. Let me tell you the cosponsors of this bill. They were BURNS, CHAFEE, COVERDELL, CRAIG, D'AMATO, DOMENICI, Durenberger, GORTON, GRASSLEY, GREGG, HATCH, Hatfield, KEMPTHORNE, LOTT, LUGAR, MCCAIN, MCCONNELL, MURKOWSKI, NICKLES, PACKWOOD, ROTH, Simpson, STEVENS, THURMOND.

So, most of the present leadership of the Republican side was represented as cosponsors of this bill. Of course Senator LOTT, Senator COVERDELL, Senator NICKLES, the whip, Senator CRAIG, and of course Senator MCCONNELL.

The bill says: Deal with campaign finance reform. Let me read very quickly from Senator MCCONNELL's remarks.

Mr. President, in 1992, voter turnout increased, electoral competition increased, campaign spending increased. Most objective observers of the political system . . ..

Mr. President, Democratic campaign finance bills based on spending limits and taxpayer financing do, indeed, constitute change. They do not, however, reform. They do not improve the electoral process.

Quoting from Senator MCCONNELL:

The Democratic bills we have seen in the past were good public relations . . .. Spending limits were totally discredited in the presented system . . .. Mandatory spending limits are unconstitutional . . .. Taxpayer funding of the Congressional campaign system to provide inducements or penalties is not palatable.

Then he goes on and says:

Republicans will not stand by while the first amendment is sacrificed for a facade of reform. Campaign finance reform need not be unconstitutional, partisan, bureaucratic or taxpayer funded. The minority leader and I, joined by Republican colleagues, have today introduced the Comprehensive Campaign Finance Reform Act, the most extensive and effective reform bill before this Congress bar none. It bans PAC's, the epitome of special interest influence and a major incumbent protection tool. Our bill bans soft money, all soft money, party, labor, and that spent by tax-exempt organizations. It cuts campaign costs, provides seed money to challengers paid for, not by taxpayers, but by the political parties. It constricts the millionaires' loophole, [which, by the way, happens to be a part of the revised package we have, I am sure by coincidence] restricts and regulates independent expenditures, fights election fraud, and restricts gerrymandering.

Real reform: In stark contrast to the Democrats' bill, the Republican bill puts all the campaign money on top of the table where voters can see it. Nothing would have a more cleansing effect on the electoral process.

Then:

The text of the bill eliminates all special interest political action committees, corporate, union, and trade association, also bans all non-connected or ideological PAC's and all leadership PAC's.

Note, if a ban on non-connected PAC's is determine to be unconstitutional by the Supreme Court, the legislation will subject nonconnected PAC's to a $1,000 per election contribution limit.

I could not agree more with Senator MCCONNELL's position on that.

Soft money ban: Bans all soft money from being used to influence a Federal election. Soft money is defined as the "raising and spending of political money outside of the source restrictions, contribution limits and disclosure requirements of the Federal Election Campaign Act and its regulations."

So we are in complete agreement with Senator MCCONNELL on that.

Establishes new rules for political party committees to ensure that soft money is not used to influence Federal elections, including the requirement that national, State, and local political parties establish a separate account for activities benefiting Federal candidates and a separate account for activities benefiting State candidates.

Requirement of full disclosure of all accounts by any political party committee that maintains a Federal account, and the establishment of minimum percentages of Federal funds which must be used for any party building program, voter registration, get out the vote, absentee ballots, ballot security which benefits both Federal and State candidates.

Exempts certain organizational activities, as ours does—research, get out the vote, voter registration—from coordinated or other limitations.

Requires disclosures and allocation for these activities and retains the same coordinated expenditure limits for media expenditures.

Maintains the limit on total contributions of Federal party accounts at $20,000; limits to $50,000 per calendar year the total amount of contributions an individual or other entity may make to national, State, or local party accounts combined.

Labor and soft money employee protection: Codifies the Supreme Court decision in Beck versus Communications Workers of America and provides certain rights for employees who are union members.

Soft money restrictions: Prohibits tax-exempt 501(c) organizations from engaging in any activity which attempts to influence a Federal election on behalf of a specific candidate for public office.

Extends to all 501(c) organizations the current prohibition on campaign activity which applies to 501(c) charities.

Restricts tax-exempt organizations from engaging in voter registration or get-out-the-vote activities which are not candidate-specific if a candidate or Member of Congress solicits money for the organization.

Restricts Federal activities by State PAC's created by Members of Congress.

Reduces from $1,000 to $500 the maximum allowable contributions by individuals residing outside a candidate's State, an interesting take on the influence of outside money.

Indexes the individual contribution limit, $1,000 per election for in-State contributions or $500 per election to out of State.

Congressional candidates using Consumer Price Index, something that I think could be very well discussed.

Prohibits bundling, which I think is a very laudable goal, and then it talks about independent expenditures.

Requires all independently financed political communications to disclose the person or organization financing it. That is very interesting. I wonder how the Christian Coalition and the right to life and other organizations would feel about requiring all independently financed political communications to disclose the person or organization financing it. When Senator FEINGOLD and I floated that proposal, it met with a pretty strong opposition from both sides. This is a proposal that, obviously, as I have said many times, Senator MCCONNELL made around 4 years ago; requires that that disclosure be complete and conspicuous.

Requires timely notice to all candidates of the communications placement and content.

Defines independent expenditure to prohibit consultation with a candidate or his agents.

Requires the FCC to hold a hearing within 3 days of any formal complaint of collusion between an independent expenditure committee and a candidate.

I must say, Mr. President, if, in the last election campaign, that provision requiring the FCC to hold a hearing within 3 days of any formal complaint of collusion between an independent expenditure committee and a candidate had been the law of the land, they would have been holding hearings 24 hours a day, 7 days a week.

Creates an expedited cause of action in Federal courts for a candidate seeking relief from expenditures which are not independent.

Allows for a broadcast discount in the last 45 days before a primary and the last 60 days before a general election.

Permits challenger seed money, which I think is a laudable goal, and addresses a problem that we have had with giving a challenger a level playing field.

Requires congressional candidates to declare upon filing for an election where they intend to spend alone over $250,000 in personal funds in a race and raises the individual contribution limit to $5,000 per election, from $1,000 for all opponents of a candidate who declare such an intention.

No limits would apply to individual contributions by party, et cetera.

Then there is a very interesting one, franked mail. Prohibits franked mass mailings during the election year of a Member of Congress and requires more disclosure of the use of franked mail for unsolicited mailings.

Our proposal, as we know, is to cut off the name and face being mentioned in drawing a bright line. I have 60 days. Senator MCCONNELL's 1993 proposal prohibited franked mass mailings during the entire election year.

It goes into gerrymandering and goes into enhanced FEC enforcement. I heard my colleague from Utah complaining long and loud about any possibility of enhanced FEC enforcement. By the way, my colleague from Utah was not here in 1993, so I kind of doubt that he would have cosponsored this bill, as did 24 Republicans.

Mr. BENNETT addressed the Chair.

Mr. MCCAIN. I guess what I am saying is that we had a very good bill in 1993—a very good bill—and one that I was proud to cosponsor, along with Senator Dole and Senator MCCONNELL and 24 of our Republican colleagues.

Mr. BENNETT. Mr. President, will the Senator yield for a clarification?

Mr. MCCAIN. I will be glad to yield.

Mr. BENNETT. I was here in 1993, and I think I probably did cosponsor that. The Senator is making a good case that I probably made a mistake.

Mr. MCCAIN. Thank you. I appreciate the correction from the Senator from Utah.

That entire list of 24 Republican cosponsors of S. 7, as I mentioned, are BURNS, CHAFEE, COVERDELL, CRAIG, D'AMATO, DOMENICI, Durenberger, GORTON, GRASSLEY, GREGG, HATCH, Hatfield, KEMPTHORNE, LOTT, LUGAR, MCCAIN, MCCONNELL, MURKOWSKI, NICKLES, PACKWOOD, ROTH, SIMPSON, STEVENS, and THURMOND.

Mr. President, I haven't had a chance to examine all the details of the proposal that Senator MCCONNELL's and Senator Dole's S. 7 had, and I believe that there are probably some differences, but I will argue very strongly that we have the basis for negotiations and possible agreement based on S. 7.

My understanding is that there is not the independent campaign bright line. That actually, as my colleagues know, was an idea that Mr. Norm Ornstein and Mr. Mann and Mr. Trevor Potter, Professor Potter, came up with as a way of trying to get about the issue of the independent campaigns which we all know are out of control and they are all negative campaigns.

I was, frankly, encouraged to see that Senator MCCONNELL had proposed such a comprehensive way of reforming the campaign system as far back as 1993, obviously displaying a degree of clairvoyance that I didn't have at the time. So I hope we can go back to that.

Mr. President, I just want to end up—and I know Senator MCCONNELL wants to respond to that—there is a book that Brooks Jackson wrote called "Honest Graft: Big Money in the American Political Process." This book is somewhat dated. It was published in 1990. A lot of things have happened since then. Some things haven't happened. Some things haven't changed, they have just gotten worse.

Let me quote from a chapter in his book, and I will be brief:

> Nearly everyone complains that something is wrong with the American political system. Liberals see a Congress bought by business interests, while PAC managers complain they are being shaken down by money-hungry legislators. Lawmakers detest the rising cost of campaigning, the inconvenience and indignity of asking for money, and the criticism they endure for accepting it. Democrats envy the Republican Party's financial strength and decry the sinister influence of big money and expensive political technology while trying to get as much of both for themselves as possible. Republicans, portrayed by the business PACs they nourished, seethe at their inability to dislodge Democratic incumbents. Critics of various leanings deplore lawmakers who use their office to help themselves or moneyed benefactors. Liberal and conservative commentators alike call the system "corrupt."
>
> The problem isn't corruption; it is more serious than that. If unprincipled buying and selling of official favors was at fault then the solution would be simple. Honest legislators would refuse to participate, and prosecutors or voters would deal with the rest. To be sure, corruption does exist; it is hard to imagine any other community of 535 souls where felonies are so often proven. But those illegalities are only symptoms of the underlying sickness.
>
> The true predicament is that perverse incentives twist the behavior of ordinary legislators. The system of money-based elections and lobbying rewards those who cater to well-funded interests, both by keeping them in office and by allowing men like Ferdinand St Germain to enrich themselves while they serve. It also punishes those who challenge the status quo, as D. G. Martin discovered. And it bends even the best of intentions, like Tony Coelho's priestly instincts, toward the courtship of moneyed cliques. As Coelho himself says, "the process buys you out." The system doesn't require bad motives to produce bad Government.
>
> America is becoming a special-interest nation where money is displacing votes. Congress commands less and less support among the electorate as it panders increasingly to groups with money, yet its members cling to office like barnacles on a hull of a broken-down steamer.

Mr. President, I would not use those words myself. I think they are strong words. I do respect Brooks Jackson a great deal. He is one of the foremost authorities on campaign finance reform. But if that was the case, if that was the view of one of the most respected commentators in 1990, can you imagine what the view of many of them are today?

Again, I want to say that I hope we can sit down and have some serious negotiations. I would, to a large degree, move to S. 7 as a basis for a lot of those negotiations. Maybe we can get Senator Dole back, most respected by all of us, and see if Senator Dole—I believe he still supports many of those principles. We could all sit down together.

If I can very seriously say, I hope that we can understand that what the American people want is not a filibuster and not a gridlock, not a filibuster by Republicans, not a filibuster by Democrats, but we have shown certainly this year what we are capable of doing when we sat down on both sides of the aisle and put the Nation on a path toward a balanced budget; when we sat down, Republicans and Democrats alike, trading off, as is necessary, to reach a goal of giving the American people their first tax cuts in 16 years.

I believe we can do that if there is a willingness to do so, and I, for one, believe that the majority of my colleagues would agree that there are some things that are fundamentally wrong with this system. If the majority of my colleagues agree with that, then it seems to me we should be able to reach some kind of agreement on how we can reform that system.

Mr. President, I yield the floor.

Mr. MCCONNELL addressed the Chair.

The PRESIDING OFFICER. The Senator from Kentucky.

Mr. MCCONNELL. Mr. President, I am sure my good friend and colleague from Arizona will agree that politics is a team sport. In order to be effective, we have to have allies. The bill he went back 4 years to had 24 cosponsors. I can assure my friend from Arizona, it had a good idea from all 24. Legislation is, someone said, sort of like making sausage: a little bit of this and a little bit of that.

I confess to having joined in cosponsoring a bill with a whole lot of things that my friend from Arizona will surely remember that I have consistently argued against for 10 years. But the feeling was, and he remembers it because he cosponsored the bill, that we needed to have a Republican alternative. And in the spirit of being a part of the team, I put my name on a bill. I am sure the Senator from Arizona has never put his name on a bill with which he disagreed with any part. In fact, he said here today he is not entirely happy with the union provision in the bill that he is putting forward.

The Senator from Kentucky may be guilty of many things, but I think in this debate rarely guilty of inconsistency and many of the things that the Senator from Arizona mentioned I personally argued against prior to coming up with this five-legged dog. Somebody said you might be able to make a five-legged dog, but nobody has ever seen one in nature. That is sort of what that bill was. So I confess to having signed on to a bill much of which I thought was probably not the right thing to do.

But let me ask the Senator from Arizona—he said on Friday and again, I believe, today, any genuinely independent expenditure made to advocate any cause which does not expressly advocate the election or the defeat of a candidate is fully allowed. Is that the view of the Senator from Arizona?

Mr. MCCAIN. That is correct. That is correct.

Mr. MCCONNELL. I say to my friend from Arizona, under the Federal Election Campaign Act the term "independent expenditure" is defined as follows:

The term "independent expenditure" means an expenditure by a person expressly advocating the election or defeat of a clearly identified candidate which is made without cooperation or consultation with any candidate or any authorized committee or agent of such candidate and which is not made in concert with or at the request or suggestion of any candidate or any authorized committee or agent of such candidate.

I am wondering if the Senator from Arizona really meant what he said, because an "independent expenditure" under the Federal Election Act does by definition expressly advocate the election or defeat of a candidate.

Mr. MCCAIN. I say to my friend from Kentucky, we are changing the definition of "express advocacy" as well as the definition of "independent campaign." And we feel compelled to do so because we see that on both sides the campaigns are no more independent than I am qualified to be on the next trip to Mir.

We are, on page 13 of the bill, under where it says "Definitions * * * (17) Independent Expenditure—* * *. The term "independent expenditure" means an expenditure by a person—(i) for a communication that is express advocacy; and (ii) that is not provided in coordination with a candidate or a candidate's agent or a person who is coordinating with a candidate or a candidate's agent."

And then "(b) Definition of Express Advocacy—Section 301," which the Senator from Kentucky just quoted from "* * * is amended by adding at the end the following: '(20) Express Advocacy—(A) In general.—The term "express advocacy" means a communication that advocates the election or defeat of a candidate by—containing a phrase such as "vote for", "reelect", "support", "cast your ballot for", "(name a candidate) for Congress", "name of candidate in 1997", "vote against", "defeat", "reject", or a campaign slogan or words that in context can have no reasonable meaning * * *'"

This is the important part—"can have no reasonable meaning other than to advocate the election or defeat of 1 or more clearly identified candidates; * * *"

That is, so we are changing both. I say to my friend, I am changing both the definition of "independent expenditure" and the definition of "express advocacy." We are doing so because there is clearly a huge problem in American politics today, which I am sure the Senator from Kentucky appreciates. There are no longer independent campaigns. There is nowhere in any dictionary in the world the word "independent" that would fit these campaigns. They are part of campaigns. To my dismay, and I am sure to every Member of this body, they are negative. And they are negative to the degree where all of our approval ratings sink to an alltime low.

So that is—I am sorry for the long response, but the Senator from Kentucky asked a very good question.

Mr. MCCONNELL. Then the definition of what is "reasonable" would be determined by the Federal Election Commission; is that correct?

Mr. MCCAIN. And the courts, just as the previous ones were interpreted, and in the case of the Colorado decision, as the Senator from Kentucky well knows, opened up a massive loophole which was driven through with alacrity and speed. That is what we are trying to close here.

Mr. MCCONNELL. I ask my friend from Arizona, how would it work? The Federal Election Commission would either on its own initiative or as a result of receiving some complaints from someone intervene in what way to determine what is or is not "reasonable"?

Mr. MCCAIN. First of all, as you know, any bright line would be that the candidate's name or face would not be mentioned, which is carrying what was, in my view, the original intent, which was obviously that they could not say "vote for" or "cast your ballot for."

So I would be glad to discuss with the Senator from Kentucky exactly how we could define that in report language or other.

But I want to return to the fundamental problem here with the Senator from Kentucky. I ask him, in return, does he believe that these so-called independent campaigns are truly independent?

Mr. MCCONNELL. Well, if they are not, if it is an independent expenditure which is required under the law——

Mr. MCCAIN. I am talking about, are they really independent in what any of us would define as the word "independent," or are they just additional methods to get around contribution limits in order to defeat another candidate? Which is it?

Mr. MCCONNELL. Is the Senator talking about independent expenditures or express advocacy?

Mr. MCCAIN. I am talking about independent campaigns. I am talking about a problem. What drives independent campaigns, as the Senator from Kentucky well knows, is the definition of "independent expenditure" and "express advocacy," which we are changing.

I am asking the Senator from Kentucky again, does he believe that in the last campaign the attacks by labor, for example, in congressional district 6, where over $2 million was spent by labor, with Congressman J.D. HAYWORTH'S face distorted on the screen, sometimes morphing into that of NEWT GINGRICH, does the Senator from Kentucky believe that that was an independent campaign against Congressman J.D. HAYWORTH?

Mr. MCCONNELL. What I believe it was is an engagement in issue advocacy.

Mr. MCCAIN. You really believe that was an issue advocacy ad when they said: Congressman J.D. HAYWORTH is an enemy of every man, woman and child in Arizona? Surely, the Senator from Kentucky does not believe that. Surely, the Senator from Kentucky does not believe that these independent ads, which are done by both sides, both Republican and Democrats, are no more than character attacks, destruction, but, more importantly, adjunct to political campaigns. Surely, the Senator from Kentucky cannot stand here on the floor of the Senate and say that those are independent campaigns by any reasonable definition.

Mr. MCCONNELL. I say to my friend from Arizona, it really does not make any difference what the Senator from Kentucky says. The Supreme Court says——

Mr. MCCAIN. I think it has a lot to do with what the Senator from Kentucky believes. I think it has a lot to do with it, because if the Senator from Kentucky thinks that this is just basically an evasion of the law by getting around the law, which has contribution limits, then certainly it matters what the Senator from Kentucky believes.

If the Senator from Kentucky believes that these are truly independent campaigns, set up and run and funded by individuals who just want to see their particular issues, whether it be pro-life or pro-choice or workers' right to strike or any of the others, then fine. But it is beyond me to believe that the Senator from Kentucky could have, having seen these ads—he is very deeply involved in the political process—that they are independent. They are not. They are appendices of the political campaigns. The tragedy of it is, 98 percent of them are attack ads, as the Senator well knows.

Mr. MCCONNELL addressed the Chair.

The PRESIDING OFFICER (Ms. COLLINS). The Senator from Kentucky.

Mr. MCCONNELL. I believe I have the floor.

All I was trying to say to my friend from Arizona is that worth a good deal more than the opinion of the Senator from Kentucky is the opinion of the Supreme Court, which has said in order to avoid—and admittedly these groups want to criticize us. There is no question about it. They want to criticize us. They want to criticize us. And we hate it. They want to criticize us in proximity to the elections. Sometimes they criticize us earlier than that.

But the Supreme Court has said that it is issue advocacy unless the words "vote for," "elect," "support," "cast your ballot," "Smith for Congress,"

"vote against," "defeat," or "reject"—or it lists the magic words here. It is not really vague. I think the reason the Court did this is because they want to encourage citizens to be free to be critical of us any time they want to.

I would readily concede to my friend from Arizona we have gotten a lot more criticism in the last couple of years than we used to. I will also readily concede that having been the beneficiary, or victim, depending on your point of view, of some of that myself, I do not like it. But the Court, it seems to me, has made it rather clear that we do not have the right to keep these people, these groups, from expressing their views about our records at any point, whether it is in close proximity to the election or not.

Now, an independent expenditure, as my friend from Arizona knows, is different. That is hard money. That is regulated by the FEC. In order to qualify as an independent expenditure, you must not consult with those whom you are seeking to aid or reject.

Issue advocacy is a different animal. The Court has put that in a separate category. Admittedly, the distinctions are sometimes blurred. The Court anticipated in the Buckley case that many times the distinction would be blurred. But they erred on the side of more expression. They erred on the side of allowing more and more citizens, if they chose to, to criticize us at any point they wanted to.

Now, what we all saw in 1996 was there was a lot of criticism, a lot of criticism by a lot of groups that a lot of people on my side of the aisle did not like. But I think there is not any chance whatsoever the Supreme Court is going to allow us by legislation to make it difficult for people to criticize us just because it may be in close proximity to an election.

Therein lies the dilemma. My good friend from Arizona is trying hard to do that. I understand why he would like to do it. These campaigns are a source of great irritation to the people who run for public office. I understand that.

Mr. McCAIN. Could I respond?

Mr. McCONNELL. It is just my prediction—just as one Senator here having read these cases, it is my prediction that the courts will not allow us to in effect shut these folks up or to create a context in which their criticizing us is more difficult. That is just my opinion. But it is also the opinion of many, including the American Civil Liberties Union, who have looked at this particular area.

Mr. McCAIN. Could I respond to the Senator very quickly?

Mr. McCONNELL. Sure.

Mr. McCAIN. First of all, the Senator well knows better than I, footnote 52 is where the magic words are, which is a footnote on the decision. The interpretation of many of us is that the language in the body of the opinion indicates that Congress does have a role to play and can be involved in it.

But that is a difference of opinion that the Senator from Kentucky and I have. That is why I think I would be willing to try to make a case on the floor of the Senate here of the constitutionality of our view of changing the definitions of "independent expenditure" and "express advocacy" just as when we passed the line-item veto and there was significant constitutional question about the line-item veto by good and principled individuals of this body who said, "Look. What you're doing here is unconstitutional; so, therefore, I'm voting against it."

I am saying that I believe there is sufficient good opinions by good and principled individuals that differ as to what the interpretation is and what Congress has the right to not do.

May I ask unanimous consent, Madam President, to have stricken from the RECORD the name of a Member of the other body, because I misspoke, and it is against the rules of the Senate to say the name of a Member of the other body. I ask unanimous consent that that reference be removed from the RECORD.

The PRESIDING OFFICER. Is there objection?

Mr. McCONNELL. Madam President, I believe I have the floor. I had yielded to the Senator from Arizona for a question.

The PRESIDING OFFICER. The Senator from Kentucky has the floor.

Mr. McCAIN. So if I could finish my answer. It is not so much that it aggravates me as to whether it is negative or not. Of course, it pains all of us when the approval rating of elected officials is so low. There was a Fox poll that said, "I believe that my Member of Congress is:" 36 percent said, "someone I can trust," 44 percent said, "a lying windbag." That bothers all of us. But that is not the fundamental problem here, I say to my friend from Kentucky, because you can do that with hard money. You should be able to do that with hard money, any kind of attack, any kind of thing you want to do.

What we are objecting to is it being used for soft money and the fact that it is not independent, does not meet, by any objective measure, at least in my view, the definition of the word "independent."

I thank the Senator from Kentucky.

Mr. McCONNELL. I believe I still have the floor.

The PRESIDING OFFICER. The Senator from Kentucky still has the floor.

Mr. FEINGOLD. Will the Senator yield?

Mr. McCONNELL. No, not right now.

I say to my friend from Arizona, it is not at all clear that express advocacy has to be independent. But nevertheless, the Senator from Arizona is entirely correct that the words are in a footnote. There is no question that the words are in a footnote.

On the other hand, there have been at least 15 cases in this field. This has been a field that has been very much litigated. The Federal Election Commission has been interested in going after issue advocacy groups for years. So there has been a lot of litigation on the issue that my friend from Arizona raises.

He raises a good point, it is in a footnote. It is not like we haven't been there before. There have been 15 cases. The FEC has lost every single issue advocacy case seeking to do things similar—similar—to what is sought to be done by legislation here.

Recently in the Citizens Action Network case, not only did the fourth circuit rule against the Federal Election Commission trying to do what we are trying to do here, it ordered them to pay the legal fees of the group that they were out to quiet.

So the only thing I say to my friend from Arizona, he is right, it is a footnote. On the other hand, this is something that the courts have had a good deal to say about, a good deal to say about, and there has been a lot of litigation on this whole question of trying to quiet the voices of those who would criticize us for our votes.

I see my friend from Utah is on the floor.

Mr. FEINGOLD. Will the Senator from Kentucky yield?

Mr. McCONNELL. Was the Senator from Utah seeking to ask a question?

Mr. BENNETT. I would like to obtain the floor in my own right at some point, but I make a comment to the Senator from Kentucky and ask him if he would like at this point with respect to the 126 scholars that have been mentioned up until now—I will wait until I have the floor.

Mr. McCAIN. I think this kind of debate we need to engage in. I think this is important. I think the CONGRESSIONAL RECORD needs to be made and I look forward to more of this kind of debate and discussion because this is really the heart of the matter. I thank the Senator from Kentucky for raising this particular issue because this seems to be one of the major, if not the major, areas that need to be discussed.

Thank you.

Mr. McCONNELL. I believe I still have the floor.

I agree with the Senator from Arizona. I think this is the heart of the current version of McCAIN-FEINGOLD, and certainly does need to be adequately vented.

I see the Senator from Wisconsin was interested in getting into the discussion.

Mr. FEINGOLD. I thank the Senator from Kentucky for his courtesy and I will have a couple of brief questions for him on a very interesting discussion that the Senator from Arizona and Kentucky had.

I ask the Senator from Kentucky if he voted for the Communications Decency Act, which was sent up to the Supreme Court?

Mr. McCONNELL. Frankly, I don't remember. I am sure the Senator knows.

Mr. FEINGOLD. The answer is yes. I believe there were only 16 Members of the Senate—I happened to be one—who did not think it was constitutional, who thought it was a violation of the first amendment to start censoring the Internet.

Does the Senator recall how the Supreme Court disposed of the Communications Decency Act?

Mr. McCONNELL. Why don't I let the Senator from Wisconsin tell us.

Mr. FEINGOLD. It was a unanimous decision, 9 to 0.

The U.S. Senate, including yourself, voted overwhelmingly for something that in my view, was unconstitutional on its face.

What was the downside of it? What happened? What happened was that the law was struck down, isn't that right?

Mr. McCONNELL. My friend from Wisconsin, who is a distinguished lawyer and went to Harvard knows that pornography does not enjoy the same level of protection as political speech. The Supreme Court has always put political discourse in a special protected category. Pornography, by its very definition, has been excluded from first amendment protection.

My guess is that in that particular piece of litigation we didn't have a very good idea how the Supreme Court was going to decide and the Senator from Wisconsin is probably going to say why not take a chance here and see if the Court will uphold these restrictions on express advocacy.

Mr. FEINGOLD. I assume the Senator has no doubt that this Supreme Court will strike down the provisions in our bill he is talking about, isn't that right?

Mr. McCONNELL. It is my hope, Madam President, that we won't give them an opportunity to do it.

Mr. FEINGOLD. I understand, but my question is, Don't you believe that this Court would strike down the provisions you criticize?

Mr. McCONNELL. Yes, I believe the Supreme Court would not, in this highly protected area of political speech, allow the Congress to reduce the quality of criticism that can be leveled at us in proximity to an election.

I think we are not flying entirely blind here, Madam President, because this whole delicate area of issue advocacy has benefited from a lot of litigation.

Mr. FEINGOLD. One other question, a point I am trying to make for the Record is I agree with the Senator from Kentucky that should we pass this legislation, this, of course, will go to the Supreme Court. I think it is very important that we acknowledge as we make this Record that they will review it, and that they will want to know exactly what our intentions were with regard to this legislation.

I want to ask a question in terms of making this Record, following on the question of the Senator from Arizona. I will read the Senator from Kentucky an advertisement that supposedly was an issue advocacy ad, apparently legally treated that way, and ask him if he believes this is properly characterized as issue advocacy rather than express advocacy or campaign ad.

The ad concerned a Winston Bryant. The announcement said, "Senate candidate Winston Bryant's budget as attorney general increased 71 percent. Bryant has taken taxpayer-funded junkets to the Virgin Islands, Alaska, and Arizona, and spent about $100,000 on new furniture. Unfortunately, as the State's top law enforcement official, he has never opposed the parole of any convicted criminal, even rapists and murderers; and almost 4,000 Arkansas prisoners have been sent back to prison for crimes committed while they were out on parole. Winston Bryant: government waste, political junkets, soft on crime. Call Winston Bryant and tell him to give the money back.

Does the Senator from Kentucky consider that to be an issue ad within the Supreme Court definition, or does he think it is possible—possible—that the U.S. Supreme Court just might find that to be a campaign ad?

Mr. McCONNELL. Madam President, that ad sounds very similar to some newspaper editorials I have read during the end of campaigns and in editorial endorsements, another form of criticism that we typically find very offensive.

My guess is, absent the words "vote for," or "vote against," the others that we went over in the Buckley case, the Court would in all likelihood say those voters are perfectly free to make candidate Winston Bryant very uncomfortable before his election.

And I understand that the Senator from Wisconsin and the Senator from Arizona would like to change that standard and give the Supreme Court another chance to try to reach a different decision.

Let me tell you why, Madam President, I think it is extremely unlikely that the Court would go in the direction that the Senator from Wisconsin would like it to go. Referring again to the American Civil Liberties Union, America's experts on the first amendment, dealing with the restrictions on independent expenditures and issue advocacy in the bill we are discussing.

They say the new restrictions on independent expenditure are improperly intruding upon the core area of electoral speech and invading the absolutely protected area of issue advocacy—absolutely protected area of issue advocacy.

The ACLU went on: Two basic truths have emerged with crystal clarity after 20 years of campaign finance decisions—20 years. This is not a new area of the law; 20 years of campaign finance decisions.

First, independent expenditures for express electoral advocacy by citizen groups about political candidates lie at the very core of the meaning and purpose of the first amendment. This is not some peripheral area here—the very core of the first amendment.

Second, issue advocacy by citizen groups lie totally outside the permissible area of Government regulation. So I say to my friend from Wisconsin, my prediction that no matter how much candidate Bryant may not have liked that criticism, my prediction that the Court is likely to uphold the ability of citizens to band together and engage in that criticism is based not on some kind of speculation but on 20 years of decisions in this field.

So I guess my prediction, in answer to the question the Senator from Wisconsin asked, is that I don't think there is any chance the Court would allow the Congress to make it tougher for people to criticize us. There is absolutely no hint in 20 years of cases in this area that the Court is going to backtrack and give us the ability to quiet our critics. We would love to do this.

One thing I am sure the Senator from Wisconsin and I agree on, we don't like this kind of thing. We really would prefer not to be criticized by either of these avenues, whether it is independent expenditures or whether it is express advocacy, we don't like it. I think we can stipulate that.

However, the Court has been rather clear over 20 years that we are not going to be able to quiet these voices. So my prediction would be that they would not allow us to do it.

There are others who want to speak. I yield the floor.

The PRESIDING OFFICER. The Senator from Wisconsin.

Mr. FEINGOLD. I thank the Senator from Kentucky for his candid answers and say I have great confidence in the U.S. Supreme Court. They are perfectly capable of handling this provision. Our job is to pass a law so they can take it up and they can strike it down if they don't like it. That is the approach we take here when there is a good-faith disagreement about a constitutional provision. Surely there are good-faith arguments on both sides, and the right body to resolve it is the Supreme Court.

The PRESIDING OFFICER. The Senator from Utah.

Mr. BENNETT. Madam President, during the hearings we have held in the Governmental Affairs Committee there have been a number of headline-grabbing witnesses who have appeared before us. Unfortunately, when we got to

the phase of the hearings where we were discussing this issue, the television cameras all left the room and the press tables all became vacant.

In that atmosphere I was able to say some things that I maybe wouldn't have otherwise said because I knew no one would say anything. It is a bit like the question, When a tree falls in the forest and nobody is there to hear it does it make any sound?

But there was one witness that appeared who made a lot of sound and whose statements are so apropos I have taken the floor to read most of them into the RECORD. His full statement is available to anyone who wants to go into the committee. I will not take the time to read the full statement here, but for the Senators who participated in this debate I think hearing some of the comments this man made will be particularly enlightening. I am speaking of Curtis Gans, the director of the Committee for the Study of the American Electorate. The advisory board of that committee includes people such as David Gergen, Peter Hart, Abigail McCarthy, Cyrus Vance, former Secretary of State, Ted Van Dyk, Anne Wexler, Richard Whalen, and a number of others whose names I don't recognize but I am sure are equally distinguished.

Mr. Gans points out he has been the director of this nonpartisan nonprofit committee for 21 years, engaged in the issues surrounding low and declining voter participation. That is his area of expertise. He has published publications, organized commissions, testified before Congress, engaged in this activity for a long period of time.

With my apologies for quoting so much, I will get into the details of Mr. Gans' testimony because, as I said, I think it is particularly enlightening.

I am now quoting from Mr. Gans:

Mr. Chairman, with all respect to this committee's good work and the chairman's good intentions, I would like to suggest a few verities: that campaign finance is the most overblown issue in American politics, that the problems we face today in campaign finance are the products of bad law passed in 1971 and 1974 and the severability contained in that law and not the result of the Buckley versus Valeo decision; that there are serious problems in the present methods of financing campaigns, but that they are built into the incentive structure current law creates; that, in attempting to remedy the existing problems deliberations should be guided by the principle of "Do No Harm," (that we have already seen the unintended consequences of good intentions) and that it should proceed incrementally and with true bipartisanship; and that the case for such incremental reform can be done without the gross vilification of individual leaders or the system as a whole which is both inaccurate and does a profound disservice by undermining—perhaps more than the laws themselves—public faith in the political process.

Mr. Gans goes on in another place in his testimony:

I think the American people have long known that people give money for essentially four reasons:

1. That they are friends with the candidate or officeholder.

2. That the candidate or officeholder has views congruent to the giver on one or more key issues.

3. That the opponent has views which are anathema on one or more key issues.

4. To gain access to the candidate/officeholder to express one's interest and point of view.

I don't believe that the American people think that Representative . . .

He names the Member of the other body.

is a liberal because he gets liberal money, or that . . .

He names another Member of the other body.

is a conservative because he gets conservative money.

I do believe they understand that access is different from influence—even if money buys access. I think they know that access to a leader comes from several different sources—personal friendship, long-time loyalty, fame, grassroots citizens organization and money, and that money does not speak with one voice. I think the American people know—as their responses to surveys about their own Congresspersons and Senators (the ones with whom they have had first-hand experience)—that the overwhelming majority of leaders are honorable leaders who arrive at public policy decisions on a basis other than contributions. And that if there is cynicism about the profession as a whole, it is not because of its actions, but because they have been vilified by those who seek reform.

Later on in his statement, Mr. Gans gives what I find to be two fascinating questions:

I am fond of asking the question: "What do Social Security, Medicare, Medicaid, Aid to Families with Dependent Children, Federal aid to education, the Civil Rights Act, the Voting Rights Act, the Occupational Safety and Health Administration, the Environmental Protection Agency, the Council on Environmental Quality have in common?"

The answer is that they were all enacted and created when individuals could give unlimited and undisclosed amounts of money to candidates, often in unmarked paper bags, and when the Republican party usually enjoyed a 3–1 spending advantage over the Democrats. (As one staff member of this committee has pointed out, it should also be noted that the Hatch and Taft-Hartley Acts were also enacted in this period, lest the Republicans think reform would be a good thing for their policy ends.)

What this incandescently shows us is that major public policy is a matter of leadership and citizen consensus rather than campaign cash.

Mr. Gans goes on in his second question, equally compelling in my opinion:

I am also fond of asking a second question, "What do Michael Huffington, Clayton Williams, Rudy Boschwitz, Mark Dayton, Lew Lehrman, Jack Brooks, Guy VanderJagt, Steve Forbes and, if anyone remembers, John Connally, have in common?"

The answer is that each and every one of them spent millions of dollars of their own money, outspent their opponents by as much as 5–1 and lost.

When he gets to discussing our current problems, Mr. Gans has this to say.

. . . campaign finance laws were enacted in 1971 and 1974, whose only beneficially durable features were the mandating of public disclosure of some of the money in politics, the provision for partial public financing of campaigns and the establishment of an agency, which for whatever its flaws, has attempted to do a decent job of disclosure and tracking and improving election law.

Later, he says:

That law were challenged and substantial parts of the law were overturned in Buckley. The Supreme Court ruled, and I believe rightly, not, as some would have us believe, that "money is speech," but rather that money is necessary for speech to be heard. Accordingly, the Court ruled against spending limits—as inhibiting speech and competition (about which there is considerable evidence) unless such limits were truly voluntary and until there were compensatory benefits to insure that there would be a full and fair hearing of campaign speech. It overturned restrictions on the use of personal funds in campaigns. But it left stand, I think wrongly, the $1,000 contribution limits (to meet the "appearance of corruption," and established a "bright line" of "express advocacy"—the specific advocacy to vote for or against a particular candidate, so named, as the only place in which the amount of money spent on such advocacy could be regulated.

Because the law law was written so that it was severable—that the provisions which were not struck down—would remain in place, we emerged with an accident waiting to happen, a partial law for which evasion would prove not only likely, but perhaps necessary. We ended up with contribution limits that were constraining and subject to strict disclosure, hard money for both candidates and national parties which were severely restricted and subject to disclosure both on the contribution and expenditure level, soft money—to nonfederal party accounts and to nonprofit groups—which were unregulated and only partially disclosed. . . . The problems with the resulting system became evidence early.

Mr. Gans goes on to give us a personal example that I found fascinating. He says:

(On the issue of venture capital, I can speak from some experience. I provided the theory for and helped organize in 1967 something called "the Dump Johnson Movement," and by the accident of being one of two persons who knew who populated that movement, I became staff director of Senator Eugene McCarthy's 1968 Presidential campaign. When the candidate announced on November 30, 1967, he was unknown to 57 percent of the American people; in early February, he stood at 2 percent in the polls in New Hampshire, the first primary, and there was near-universal opinion that one could not beat a sitting President within his own party. If we had had to live within the present contribution limits, that campaign would never have happened and the people of the United States would have been denied the opportunity to express their opinion on the war in Vietnam and Johnson's leadership within the political process. There was neither the time to raise the money or an adequately accessible number of small contributors to make that effort possible. And we do not today know how many other legitimate challengers have been denied the opportunity since 1974 to compete because of a lack of venture capital.)

Now, apropos of this debate, Mr. Gans has some interesting things to say about that great bugaboo, soft money:

Then, there is the question of "soft money." I, along with Dr. Herbert Alexander and Dr. Anthony Corrado, among comparatively dispassionate and nonpartisan observers, have long been a defender of soft money. I have done so because my research shows that in competitive campaigns for the U.S. Senate, nearly 60 percent . . . of the hard money campaign budget goes to televised advertising, 30 percent usually is expended on fundraising, and the balance on candidate travel and staff. In this situation, soft money are the only funds then and now available for activities involving people—grassroots campaigning, voter registration and education and party development.

But beginning in 1992, soft money has increasingly been used for none of these. Instead, almost all of these unregulated moneys have been poured into television advertising, which is the antithesis of grassroots organization and party development. They underline participation and erode respect for either party. It is safe to say that one reason the Democratic National Committee is substantially in the business of refunding illegal contributions is that they so denuded their staff during the campaign to put every last dollar into advertising that there was no one left to exercise oversight.

All of which is to suggest that—without the high-flown rhetoric about corruption, elections being bought and public policy being for sale—both supporters and critics of current and choice reform proposals see some of the same problems.

The question is what to do. And therein lies the rub.

Mr. Gans says:

I will leave to others the argument about the implication of limits on the First Amendment guarantees of free speech. While I agree with them, leaders like Senator MITCH MCCONNELL, Ira Glasser, Roy Schotland, among a host of others, can carry this argument better than I. I would rather deal in the world of practicality.

He goes on to say:

I think there are four verities which will, at least in my limited lifetime and perhaps through the lifetime of my ten-year-old child, continue to hold:

1. That because of the recent realignment in the South, the Republican Party will continue to have, at the very minimum, a cloture-proof minority. The impact of this on campaign finance law is that campaigns will be run for the forseeable future largely or totally on private money.

I think his implication there is that he knows the Republican Party is opposed to public funding.

2. That the Supreme Court is highly unlikely ever to rule that an individual cannot spend whatever he or she wants of his or her personal money on his or her campaign. Thus, we will continue to have self-financed millionaires running for office.

3. That the Supreme Court is highly unlikely to rule that like-minded people cannot band together, organize, participate and contribute to campaigns. Thus, we will continue to have political action committees.

4. That the Supreme Court is highly unlikely to say that groups and individuals independent of campaigns cannot express their points of view on the issues and candidates up for election. Thus, we will continue to have independent expenditures.

(Two things in this regard should be noted. The recent statement by 126 legal scholars, organized by the Brennan Center, was notably silent on these issues. Secondly, Mr. James Bopp's excellent law review article which chronicles various recent cases regarding independent expenditures shows that, if anything, both the Court—in the Colorado case, and the courts, in general, are likely to expand the ability of both parties and independent groups to exercise their free speech rights in the electoral context.)

All of which suggests to me that no closed system can or, from my point of view, should be created and that limits will not work.

Do we really want to continue the current low level of contribution limits and continue to advantage millionaires and those with large rolodexes of midlevel and large contributors?

Do we really want to abolish soft money if the net effect will be simply to starve the political parties and drive money toward independent expenditures?

He says:

In some mythical world it might be conceivable to create a system of limits which would not have downside effects—that would be high enough to insure competition, that would provide for full accountability, and would provide varying forms of compensation for the inequities that grants the constitutional rights to such entities as millionaires and independent expenditures may create.

Madam President, I love this sentence. It summarizes better than anything I could say how I feel about the enforcement procedures that we are having discussion about here:

But to administer such a program would likely take a bureaucracy larger than the Department of Defense and a litigation budget considerably in excess of the Department of Justice and the tobacco companies combined.

Well, what does Mr. Gans have to offer in the way of a solution? He says this toward the end of his testimony:

I think at this time there is a possibility of real bipartisan agreement on a number of modest, but not unimportant steps.

1. That we mandate full and timely disclosure of all contributions and expenditures above a certain level and within a certain timeframe—including the expenditures and larger contributions to State parties and independent expenditure groups.

2. That we establish nationwide computerization of finance records and mandate electronic filing and fast release of all things mandated to be disclosed.

3. That we define adequately what a foreign contribution is, provide strict prohibition on such contribution and provide teeth in the enforcement of this provision.

4. That, at least within this mandate, we empower the federal election commission and give it the resources to do its job.

5. That we indeed do something about soft money. But that we need to think carefully about what we do. To abolish soft money would send money into independent expenditures and, in the absence of substantially raising the amount which can be given in hard money, starve already atrophying parties.

There is, to my mind, a better way. Which is that soft money has been justified on the basis that it exists to provide a source of funds for grassroots activity and party building. Let us limit its use to that. Specifically, let us, as we have not until now, recognize in law that such funds exist, deny their use for broadcast advertising and overrule the Federal Election Commission's decision that "generic" advertising is not broadcast advertising as stated in existing law. If we did that we would either reduce the demand for soft money or there would be enormous amounts of money moving in the right direction—in activities that educate and engage the citizenry and strengthen and build political institutions rather than in destroying the will to vote.

This would not solve all the problems contained within the campaign finance conundrum, particularly with respect to contribution limits, independent expenditures and the overall and spiralling demand for money. But it would be a good start. It would make the system profoundly more accountable, and it would correct the worst abuses of soft money without rendering the parties impotent.

Finally, as he concludes, Mr. Gans summarizes this whole circumstance in language that is one of those phrases you say afterward, "Gee, I wish I had written that."

This is his conclusion.

The dialogue on campaign finance has generated a maximum amount of heat and a minimum amount of light.

Our political system has been called corrupt. Our Congress bought. Our leaders cowardly. All in the name of attempting to force through a particular set of ill-thought out proposals for reform on a Congress which well understands their weakness.

Those responsible for this dialogue are Common Cause, Public Citizen and their mouthpieces particularly on the editorial boards of The Washington Post and New York Times. And while both the latter are great newspapers with noble journalistic traditions, with respect to this set of issues, all should be ashamed.

Not only because it is not true, but because they, by this attitude, much more than the admittedly flawed system of campaign finance, are deepening the cynicism of an already increasingly cynical public.

I know the overwhelming majority of our leaders are honorable. I know many have demonstrated courage in their lives and in their political conduct. I know that, despite many flaws, this nation's political system is the greatest in the world or at least among the greatest.

It is time to stand up to the bullies and cool the dialogue—to pinpoint our flaws precisely and address them, but not to tear down the system most of us love and are seeking to improve.

As I said at the outset, Madam President, I apologize for quoting so much from one man's testimony. But I found it compelling. I find myself in agreement with almost all of it, if not all of it. I am particularly in agreement with his statements that our problems arise in large part because of the flaws in the current law, and the lack of severability that occurred when the law came before the Court, so that when the Court found portions of it unconstitutional they did not strike down the entire law. And we were left with, as Mr. Gans says, "an accident waiting to happen."

I know in the context of this debate we cannot start with a clean sheet of paper and move in the direction that Mr. Gans outlined. But if in fact, as

many are predicting, and as, frankly, I expect nothing comes of the present effort to enact McCain-Feingold, I hope that instead of walking away from it shaking our heads and pointing our fingers at each other that we take a clear look at Mr. Gans' approach, which would be to, as he quotes Abraham Lincoln, "think anew and act anew," and say, We can solve this problem. We can solve it in a bipartisan manner. But we can do it in such a way that would not create all of the evils that his testimony so graphically describes.

I thank my colleagues for their indulgence in allowing me to read so much.

I yield the floor, Madam President.

Mr. DORGAN addressed the Chair.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. DORGAN. Madam President, I must say that it is interesting when we involve ourselves in aggressive and controversial debates that we find from time to time we disagree with colleagues for whom we have the greatest respect. That is certainly the case with me for the Senator from Utah. He is one of the best Members of the U.S. Senate, and I have been privileged to work with him on a lot of things. And, yet, I profoundly disagree with him on this issue. I want to spend a bit of time explaining why that is the case.

In September 1796, George Washington announced that he was retiring after some 45 years of service. I want to read just a paragraph from his Farewell Address, which is read each year here in this Chamber.

George Washington wrote:

> This government, the offspring of our own choice, uninfluenced and unawed, adopted upon full investigation and mature deliberation, completely free in its principles, in the distribution of its powers, uniting security with energy, and containing within itself a provision for its own amendment, has a just claim to your confidence and your support.

George Washington was right about that. I wonder today, as perhaps others have before me, why has the confidence and support of the American people in this institution receded? What is causing that?

I happen to enjoy public policy. I rather like politics. I feel that it is an enormous privilege to serve here in the U.S. Senate. And, yet, I think the political system is a system that has become distorted in a caricature of itself. The question is, what can we do about that? What should we do about that? In answering that, we should probably answer, what is the problem? Answer the question, what is the problem? And then define, what is the solution?

I have listened for the last hour and a half with great interest to my friend, the Senator from Kentucky, who I am sure will be back on the floor momentarily. He made references when the Senator from Arizona was speaking that no one can nor should be prevented from involving themselves in issue advocacy, et cetera. No one that I am aware of on the floor of the Senate has ever proposed such a position. No one that I am aware of is suggesting that anyone under any circumstances in this country can be prevented from speaking, or prevented from paying for a political message. No one has made that proposition.

So, to the extent that it is being represented that is so, let us say, yes, that is the case. And let's move on to what we are debating, and not create a new debate.

When the Lincoln and Douglas debates were well underway, at one point, I am told, President Lincoln was so frustrated because he couldn't get Mr. Douglas to understand his point. And finally he said to him in great frustration, "Well, then tell me. How many legs does a horse have?"

Douglas said, "Why, four, of course."

Lincoln said, "Well, now if you were to call a horse's tail a leg, how many legs would the horse have?"

Douglas said, "Why, five."

Lincoln said, "See, that is where you are wrong. Simply calling it a leg doesn't make it a leg at all."

That is the point in this debate. One can take positions. But if they are not on point and totally relevant to what is being discussed, what is the value of the position?

I want to describe that just a bit in terms of what I mean by that.

The Senator from Wisconsin read an advertisement. I want to read it again because I think it is at the heart of this discussion, and it is at the heart of the mess that we find ourselves in in campaign finance reform. This was an ad in a Senate race down South. I will just add as an aside that both political parties did this. Independent groups did it. But here is an ad.

> Senate candidate Winston Bryant's budget as attorney general increased 71 percent. Bryant has taken taxpayer-funded junkets to the Virgin Islands, Alaska and Arizona, and spent $100,000 on new furniture. Unfortunately, as the State's top law enforcement official, he has never opposed the parole of any convicted criminal, even rapists and murderers; and almost 4,000 Arkansas prisoners have been sent back to prison for crimes committed while they were out on parole. "Winston Bryant: government waste, political junkets, soft on crime. Call Winston Bryant and tell him to give the money back."

Should there be some position that says they don't have any right to say this? No. Whoever did this has every right to put this on television, and did. Do they have a right to put this on TV with soft money so that those who contributed are never disclosed? Do they have a right to say this is not part of the political process; this is not part of the campaign; it is totally unrelated; this is an issue advocacy commercial? Does that pass anybody's laugh test? Not in a million years.

That is why one Senator, when asked repeatedly by the Senator from Arizona, "Do you really think these are independent; do you really believe these are independent expenditures?"—referencing a series of these kinds of things. It was never answered. I suspect the answer would be no.

We all understand what is going on. The same people are involved. They hire common television producers to produce the commercials, and the same fundraising networks. But it has become a legal form of cheating. It has taken the old tax reform law and manipulated it and distorted it to the point that is no longer recognizable, and becomes what I think is a legal form of cheating. And I say that we ought to stop this. Stop it by saying You can't say it? No. You can say that. But if you want to get involved in this particular Senate campaign, then you must abide by the rules. You say it by hard dollars and disclose who donated the hard dollars.

That is the point. It is not that they can't say it. It is that they are required to use the same hard dollars that the people involved in the race are using, and getting it from the same sources and disclosing who made the contribution.

Mr. BENNETT. Madam President, will the Senator yield for a question?

Mr. DORGAN. I would be happy to yield for a question.

Mr. BENNETT. I hesitate to intrude when he is in full cry because I don't like to be intruded on when I am in a full cry. But I am emboldened by the kind of words that my colleague offered at the beginning.

This is a personal observation. I agree with the Senator absolutely. That ad should be identified; that it was clearly part of the campaign. I am not any more fooled than anybody else. However, we are driven to that kind of chicanery by the present law.

My solution—and I am speaking clearly just for myself and not for anybody else on this side—would be to repeal the present law and allow the campaigns to go back to a degree of honesty. I do say to the Senator: I believe that under the present ruling of the Court the statement by the Senator from Kentucky is correct. The Court would rule that since the magic words were not in that ad it would in fact not be considered a campaign ad under the legal definition.

I agree with the Senator. The legal definition is artificial and improper.

But I would solve it in ways other than passing the McCain-Feingold.

I thank my friend.

Mr. DORGAN. I appreciate the contribution because the contribution made by the Senator from Utah is that this sort of thing is improper, and that it is chicanery.

If that is the case—if in fact what I just described is improper and chicanery—then the question isn't whether there is a problem. The question is, What do we do about the problem?

And there are some people, as the Senator from Utah especially knows, in this Chamber who would say, What problem? There is no problem. The only problem we have, they say, is there is not enough money in politics.

I want to show my colleagues what is happening with campaign finance.

This line, the red line, describes what is happening with funding for political campaigns in this country.

I assume we can find people who will come to the floor and will wave their arms, and say on this floor and on the floor on the other side of this building, Well, the American people spend x hundreds of millions of dollars on Rolaids, they spend x hundreds of millions of dollars on Preparation H, and Oh Henry candy bars and, therefore—what? Therefore, what? It is totally irrelevant.

The point is what is happening to campaign financing is it is mushrooming and escalating out of control. Is there a problem? Or is it just fine?

In the paper today there is a statement by one of the leaders of the other body saying there is not enough money in politics; we need more money in politics. In fact, those who debate this issue saying there is too much money in politics are wrong. We need more money in politics, they say.

I could not disagree more. You see what is happening. There is too much money in politics. Too much money. In State after State after State, all of these campaigns are mushrooming out of control, and it is not just the campaigns; it is the independent expenditures and all the groups weighing in with chicanery and with improper, in my judgment, spending, packaging up things saying, by the way, this is independent, this is express advocacy, this is issue advertising. And all of us know that you cannot say that any longer with a straight face. It is all connected. It is all part of the same campaign. It becomes legal cheating. If we do not have the courage to stand up when we see this proliferation of legal cheating going on and saying, if that's the way the law is going to be interpreted and if, after pulling the teeth of the FEC, we complain they can't chew, if we are left in that position, then let us at least change the campaign finance law to know what we should do in this country and take at least some of the influence of money out of campaigns.

Now, there is a proposal that is being debated in the Senate called the McCain-Feingold proposal. I don't think it is perfect. If I had written it, I would have written it differently. I cosponsored it, but I would have written it differently. But it is a proposal that deals with a whole range of things, and it needs to deal with some more. I hope that we will add to it an amendment to restore a portion that was not included when it was brought to the floor of the Senate but which was included when it was written. That provision is spending limits.

Now, I want to deal just a bit with this question of spending limits and free speech. I noticed this weekend some of the columnists talked about the speech patrol and the infringement of free speech, and so on.

Spending limits, which is not now in this bill, which I think should be—and I hope there will be an amendment we can vote on to restore spending limits—is an attempt to say let's establish a set of rules by which campaigns are waged and let's try to see if we can, if not establish enforceable spending limits, at least establish voluntary spending limits with sufficient incentive that most campaigns would abide by voluntary limits. The limit might be $1.5 million in one State, $3 million in another, less than that in a third State, in which both candidates agree here is a practical limit on spending.

As I said, there are lots of ways to do that. The Supreme Court has already ruled by a one-vote margin that enforceable spending limits is not appropriate; it is unconstitutional. I think the Supreme Court ought to be asked to rule again on another case because, if it is that close, I think you can make the case they might rule differently in other circumstances. Notwithstanding that, I think we ought to try to work to achieve some approach by which we are able to get spending limits in campaigns.

The problem is campaigns cost too much. That's why money has such a corrosive influence in politics. Campaigns cost too much. How do you get to the solution of that? Well, you try to establish some spending limits, some spending limits that are practical, that you can make stick.

John F. Kennedy used to say that every mother kind of hoped her child might grow up to be President as long as they didn't have to be active in politics. I suppose he was musing about how unpopular the process of politics is. I am not someone who believes that politics is something that is underhanded or dirty. I think politics is noble and honorable. I am involved in it because I enjoy the political process. But I do not enjoy what is going on with respect to campaign finance. I think this system is broken. No one in this Chamber can look at this system and with a straight face say, yes, this system sure does serve America well.

This system does not serve this country well. This system is a disservice to the country. Now, do we fix it by suggesting, as one Senator today has implied, that we prevent this group or that group from being able to speak in the political system? No. No one has ever recommended that—no one. So if you want to have that debate, have that debate alone. You can always win a debate that no one else is involved with. I say good for you; you just won a debate that I was advocating.

We are not suggesting, none of us, that we would infringe on the right of any group to say anything at any time. I am saying, however, that when you take a look at advertisements like the one I described and read in the Chamber, as did Senator FEINGOLD, and understand that this is a pole vault over the legal definition and becomes on its face a farce and an attempt to undermine the process, if we are not willing to decide to correct this, then there is no hope for us to deal with the issue of campaign financing.

We have a bill in the Chamber that is called a reform bill. It is cosponsored by Senator MCCAIN from Arizona and Senator FEINGOLD from Wisconsin. Both of them are Senators for whom I have a great deal of respect. I do not agree with them on everything either, but they brought a reform to the floor of the Senate. It is interesting; at least for a half-hour or so today I heard a description of this bill that doesn't match the bill. The description was that somehow Senator MCCAIN and Senator FEINGOLD want to prohibit criticism of the Congress. So I felt, well, maybe I may have missed something here. Maybe they have introduced a bill that I hadn't read previously.

But then I realized that is simply taking the debate and moving it over here to create an issue that does not exist because one is uncomfortable debating the issue of McCain-Feingold.

No one is suggesting there would be any manner that one could devise in McCain-Feingoldo prohibit criticism of the U.S. Congress. Lord, read a couple hundred years of history and discover about a Congress that's been criticized. No one is suggesting that you could not do anything that constitutionally prohibits criticism of the Congress. We have generous criticism of the Congress, always will. The issue that Senator MCCAIN and Senator FEINGOLD address is not criticism of the Congress. It is the corrosive influence of money in campaigns. And ads like this sponsored and run by organizations whose funding is secret, undisclosed to anyone in this country, collected in soft money increments perhaps of $20,000, $50,000, maybe $100,000, could be $1 million. We have seen 1 million chunks of money go in soft money, undisclosed secret money, through organizations used as express advertising or express advocacy rather than declare they are not part of the campaign. What a bunch of rubbish. It does not pass any laugh test in any cafe in this country, and that is why we must be serious about trying to find a way to thoughtfully reform this system.

I would like to just mention two additional items before I close. One of the concerns I have about our political system is so much of the advertising is negative. There is nothing you can do

about that; I understand that. We cannot prohibit this kind of advertisement. We can say, if you are going to put this kind of advertisement on the air, you have to play by the rules and get hard money and disclose the donors.

There is nothing wrong with that. But we cannot prohibit any advertisement. So much of it now is negative and so much of it is a 30-second little political explosion that goes on across our country where candidates are not even hardly named, at least with respect to the person's campaign, in financing the 30-second ad. It is a nameless, faceless, little bomb directed to destroy, tar or feather some other candidate.

One of the small amendments that I intend to offer is the following. We now require in Federal law that television stations provide the lowest cost for television commercials during certain periods of the year. In other words, the lowest part of their rate card must be offered to campaigns for those political commercials. I am going to propose that the lowest cost on their rate card be provided candidates whose commercials are at least 1 minute in length and on which the candidate appears 75 percent of the time. I am not suggesting you cannot continue the 30-second slash-and-tear ads. Everybody can do that. Why should we reward those advertisements with the bottom of the rate card? Why don't we as a matter of law say we will provide and require the lowest rate be offered to those commercials that are at least 1 minute in length and on which at least 75 percent of the time the candidate appears in the commercial.

Well, we will have a debate about that. I suppose some will say, well, that is interference. We interfere already by saying you must charge the lowest rate that a television station offers for advertising for a political campaign during certain portions of the year. Perhaps we could do so providing an incentive that the campaign commercials be somewhat instructive and somewhat related to the candidate who is actually paying for the campaign commercial.

There are several kinds of air pollution in this country, one of which is political air pollution, and if we can do anything to in any small, measurable way, provide a little more thoughtful approach to campaign advertising through an incentive, then I would like to see us do it. I expect, however, that when and if I am able to offer this amendment, some will suggest it is some sort of colossal interference. I think not. I think it is a sensible, thoughtful way to address that issue.

Finally, if the problem is there is too much money in politics and the solution is to reform our campaign financing system in one way or another, then how will we reform our system? Well, we reform it by bringing a bill to the floor and passing it, doing the same in the House, going to conference, agreeing in conference and getting a bill to the President he can sign.

Now, is that likely? What is likely to be the future of campaign finance reform? I applaud Senator LOTT for bringing it to the floor of the Senate for a debate. Giving us the opportunity to discuss this issue is important. But it is the starting line, not the finish line. The finish line for Congress will be when we have, on a bipartisan basis hopefully, achieved an agreement on a campaign finance reform package that will give the American people some basic confidence that what we are holding are elections not auctions; some basic confidence that we will step away from this exponential increase in spending on political campaigns.

Senator MCCAIN and Senator FEINGOLD have taken a first long jump here to get this legislation to the floor of the Senate, and I hope that in the coming few days we can open up the process and allow some amendments and have a vote.

I noticed today, when the Senate opened for business, amendments were offered in a very careful way. In fact, it took, I believe, six different amendments today in a series of maneuvers to fill the tree which, for those who don't know about our parliamentary situation, means that no one else is allowed to do anything at this point because the parliamentary tree is full. Amendments are not allowed. So we have had a maneuver that was accomplished today to fill the tree.

So we will see where all that leads. Every time somebody does that—and both sides have done it about a handful of occasions—every time someone has done it, they have done it to prevent someone else from doing something later. I hope that is not the case. I hope we can shake this tree a bit and shake it sufficiently so that we can offer some amendments and reach a conclusion on campaign finance reform that is good for this country and restores some confidence in the American people that we are moving in the right direction.

Mr. President, I yield the floor.

Mr. LIEBERMAN addressed the Chair.

The PRESIDING OFFICER (Mr. ALLARD). The Senator from Connecticut.

Mr. LIEBERMAN. I thank the Chair.

This, as the tone of the debate indicates, is a critically important debate with consequences that go well beyond the subject at hand, campaign finance reform, because the infusion of massive amounts of money into our political process affects so many other areas in which we are supposed to govern and to legislate, and it is why this appropriately becomes a priority topic.

As I hear the seriousness of the debate in the Chamber, I must share my own disappointment that there is murmuring outside the Chamber that nothing is going to happen this year, that there is not going to be any campaign finance reform legislation adopted, that this is just a lot of sound and fury which, as the bard reminded us, will signify nothing.

Well, that would be an infuriating tragedy, an outrageous, in my opinion, abdication of our responsibility, a shocking refusal to face the facts that have come out at the hearings of the Senate Governmental Affairs Committee, on which I am privileged to serve. That committee's hearings show that ours is a system in crisis, and it is a crisis that affects so many aspects of our Government.

I hope these murmurings are wrong, and I hope that the debate we have begun in the Chamber will signify more than noise; it will signify the beginning of a genuine effort to change the laws, to go back in some ways to where we were after the last great campaign finance scandal, which was the Watergate scandal, to go back to the laws adopted after that scandal which set limits not only on contributions but on spending in a campaign.

In my capacity as a member of the Governmental Affairs Committee, I have had what might be called a front-and-center view of the extraordinary failures of the status quo campaign finance system, failures that routinely stem from the corrupting influence of big money in politics. As if peeling back the layers of an onion, in this case a spoiled onion, our investigation slowly revealed story after story of unseemly and negligent behavior that all too often seemed to cross over the line into lawlessness.

I know the Governmental Affairs Committee's hearings were controversial. Sometimes they were criticized for being partisan. In fact, sometimes they were too partisan. But the fact is, though they were not always orderly and they weren't always neat and they weren't always pretty, they told a story. They told a story of a system gone out of control and the consequences it has had on our great democracy.

There was the international entrepreneur who never registered to vote because he thought his money was more influential than his franchise. The sad fact is, he was right.

There was the story of the White House official who advised a potential contributor, whom he had never met, whom he had just talked to over the phone, about how to effectively skirt tax liabilities on a proposed donation of somewhere between $1 million and $5 million.

There was the Republican Party research institute that defaulted on a loan from a Hong Kong businessman and then swindled him out of the interest he had earned on his own money,

which was deposited as collateral for the loan; and the party chairman, Democratic Party chairman, who allegedly called on the CIA—although there is doubt on this, conflicting testimony, but an allegation that the chairman called on the CIA to help burnish the image of a questionable contributor.

In no uncertain terms, as far as I am concerned, people with fat wallets bought access at the highest levels of our Government, executive and congressional, and some Government leaders were perfectly willing to auction off their clout.

As California entrepreneur and major Democratic donor Johnny Chung observed, "The White House is a subway: You have to put in coins to open the gates."

Clearly, the two parties, in their mad scramble for money, shamelessly exploited during the 1996 election cycle well-intentioned campaign finance laws to the point of rendering them meaningless. In the end, their debased standards of the pressure-cooker world of high-stakes election campaigns mocked one of the basic principles of our democracy, the principle that all citizens have an equal vote, an equal voice in the governance of their country, an equal opportunity to influence its policies.

Now we have an unfettered political fundraising system that neither serves the public interest nor deserves the public trust. No wonder the American people look on politics with a jaundiced eye. No wonder more and more of them have concluded their vote doesn't count, so they don't vote. I saw a survey awhile ago of 165 countries in the world today who conduct elections. The United States of America is 139th in terms of those of voting age who actually vote. Our proud democracy—we are proud to call it the greatest democracy in the world—we are 139th among the countries of the world in the percentage of our population that can vote that actually does vote. Don't you think part of that has to do with the conclusion that millions of our fellow Americans have made that their vote doesn't count, not if they don't have money?

The proposal offered by Senators McCAIN and FEINGOLD is, in my opinion, our best hope for changing this unacceptable status quo and for reviving public faith in our Government.

The key to real reform, I conclude after sitting through the Senate Governmental Affairs Committee hearings, is less big money and less special interest money in the election process. That is exactly what the McCain-Feingold bill would do. The central provision of this bill is a ban on soft money; that is, a ban on unlimited contributions to the two national parties from corporations, unions, and wealthy individuals.

It is hard to believe, but it actually was 1907 when a law was passed by this Congress that made it illegal for corporations to contribute to political campaigns. In the 1940's a similar law was passed regarding labor unions. How is it that in the 1996 election corporations and labor unions contributed hundreds of thousands of dollars individually, millions in some cases? It is because of this so-called soft money, this little opening that was created in a vaguely worded law that was then interpreted by the Federal Election Commission to allow people to give unlimited amounts of money to parties to help voter registration, get out the vote, that turned into a loophole large enough for a fleet of trucks—not Mack trucks but Brinks trucks—to go driving through.

The explosive growth of soft money and the way it is spent represents, in my opinion, the most egregious abuse of our campaign finance laws today. Most of the controversial donations from the 1996 campaigns were soft-money contributions. Most of the foreign money contributions that we took evidence on at the governmental Affairs Committee hearings were soft-money contributions.

Soft money has played a role in Federal elections since 1980, the year after Congress tried, the way I mentioned, to enhance the role of national parties. But in 1996 it exploded—$272 million that we know of spent by both national parties in soft money in 1996, 13 times the amount spent in 1984, an increase that has dramatically changed the landscape of campaign fundraising and of American democracy. By the November 1996 elections, the soft-money loophole had become a cash bonanza for the two parties, an irresistible opportunity to raise and spend money, each driving the other to keep up, and the easiest way to do it was to raise big money. It became, for that reason, the most expedient way for an elite class of contributors to buy access; frankly, for an elite class of contributors to be exploited, in some sense coerced, by the political class into giving contributions of unprecedented size.

The quintessential example of trading money for access was the brutally honest and now legendary Roger Tamraz. An international banker-businessman, Tamraz donated $300,000 to the Democratic Party because he wanted to talk to President Clinton and other high officials of our Government about his plans to finance an oil pipeline through the former Soviet Union. The National Security Council warned against admitting Tamraz to the White House. They had already decided, in the due and diligent exercise of governmental decisionmaking, that his proposal was not the right proposal for a pipeline in that particular part of the world. They understood that he was falsely claiming White House support for his projects. They warned that, if high officials of our Government gave him even a meeting, even were seen close to him, he would trade on that proximity in the area of the world in which he was doing business.

But Tamraz was nothing if not persistent. He said to us at one point that, "I'm the kind of person, if I can't find my way through a door, I'll go through a window. And if that window is closed, I'll go through another window until I get in." He went so far as to enlist a buddy at the CIA to lobby the administration on his behalf. But what he really did was kept going to the window with his checkbook. Eventually, he was invited to six different social gatherings.

The very troubling clincher is this. When I asked Tamraz when, not whether he registered to vote—because I then was going to ask him what party he was in, trying to prove the fact that parties didn't matter to him, ideology didn't matter to him, he was just buying access, he was trying to influence our Government with bucks—when I asked him when he registered to vote he shocked me by saying he wasn't registered to vote. When you think about it, in his world, the world that soft money invites, there is no need to register to vote. His money was more important and bought more access than any vote could. It was as if he was saying: Oh, voting is a nostalgic exercise for those millions of people out there who don't have influence—most Americans. They are the ones who can take the time to register and vote. I buy my way, in America, to the highest levels of power. So Mr. Tamraz seemed to be saying.

The right to vote, which was central to the creation of our country, the right to vote, for which our founders and succeeding generations of Americans have fought and died, didn't matter to Tamraz. He figured it out—$300,000 bought him a lot more access in this democracy than anybody who just votes had. This standard is so well embedded in our political system that when I asked him whether he got his money's worth, even though he never actually won White House support for his pipeline nor got a separate private meeting with the President, Tamraz said next time he'd double that donation to $600,000.

I am not naive. People have always tried to do what Roger Tamraz did. As long as there have been governments, as long as there have been people with any power in any human society, people have tried to seek favor by conveying items of worth, and they will continue to do so. But, when soft money contributions open the door to unlimited contributions, when the competitive pressure of our political campaigns raises leads to spending without limits, the temptations will be that much greater for the influence peddlers and purchasers, for the hustlers to try to buy something big.

Frankly, the temptation will be that much greater and, ultimately, for many, irresistible, for those in power to sell what the influence purchasers are trying to buy. That is why, in short, we have to ban soft money.

The attempt to influence Government with purchases is nothing new. Look in the Bible. There is a prohibition there against judges or other leaders accepting gifts from anyone who comes before them for judgment, anyone who is affected by their leadership.

The wisdom there was based on an understanding of human nature and the need for those in government to set limits to protect themselves and those they governed. People in government who exercise power are, after all is said and done, beneath their titles, no matter how high they are, just human beings with the same frailties as everyone else. Put them in the public competitive reality of a political campaign, and too many will not be able to say no, particularly while they see their opponents saying yes.

The Governmental Affairs Committee's hearings have built significant support for banning soft money. Just last week, John Sweeney, the president of the AFL–CIO—his organization, in fact, contributed millions in soft money, almost all of it to the Democratic Party in the 1996 cycle—said, soft money donations are "polluting our political system."

Last week, a group of business leaders made essentially the same statement demanding a ban. Chief executives at Monsanto, General Motors, and Allied Signal have already dropped out of the soft money game. Why? They said it is impossible to track contributions to gauge their success. In other words, the payoff for five- or six- or seven-figure contributions is simply not worth the expense.

I will tell you something else they didn't say. Members of the Senate may have heard, as I have, from people who were solicited for soft money contributions, large contributions. They felt coerced. They felt it hard to say no. Think about it, if you are the executive of a business and you have a lot of contact with the Government and are regulated by the Government, if you are the executive of a business that has matters before Congress and a high official in the executive branch or the legislative branch calls you and asks for a large soft money contribution, it is hard to say no.

If we are successful only in banning soft money, however, as important as that is, our work will still be incomplete. Although I must say, if we could just ban soft money, I think we will have achieved enormously significant reform.

But in the best of all worlds, it is not enough, and in the best of all bills, the McCain-Feingold bill, they don't stop at banning soft money. It is important to go on. Money is like water, it flows to the weakest point. Just as water spills through an unplugged gap in the dike, once one hole is filled, it will find the next hole, or it will find the weakest point in the dike to make a hole. Political money seeks unregulated gaps in our election laws.

I do not say this simply as a matter of physics or theory. I say this, again, as a result of what we heard in the hearings before our committee. Money blocked by contribution limits to candidates flows instead into unlimited soft money contributions to parties. Money blocked by a soft money ban will be diverted in increasingly large amounts to unregulated issue ads.

Issue ads are paid for by soft money raised by independent advocacy groups and parties. They are supposed to be about specific policy issues, not specific candidates. That is why unlimited amounts of money may be spent. But issue ads, as we heard discussed on this floor in the 2 days of this debate, have actually become stealth candidate ads.

Widespread abuse in the last election saw these ads hiding behind the veil of issue advocacy, even as they promoted or attacked individual candidates.

A study by the nonpartisan independent Annenberg Public Policy Center found that 87 percent of the so-called issue advertisements broadcast in 1996 mentioned a candidate by name—87 percent mentioned a candidate. Almost 60 percent showed the likeness of a candidate.

The Annenberg study further found that more than 40 percent of the 1996 ads plainly attacked candidates, not issues. One of the witnesses before our committee said last week that by his review of the ads, the issue ads were actually more negative to candidates than the candidate ads were. Some ads don't bother with issues at all.

One of these ads, run by opponents of a congressional candidate in Montana, simply used the air time to rehash the candidate's marital problems. Ads broadcast by the Democratic and Republican parties ostensibly on the issues in the 1996 Presidential campaign were little more than biography spots at best, promoting the election of President Clinton or of our former leader, Bob Dole.

Issue ad sponsors, like the AFL–CIO or the National Rifle Association, are under no obligation to disclose the money they spend when they do issue ads. But when the ad zeros in on specific candidates, as we all know was the case and as the Annenberg study so brilliantly documents, clearly there is at least a violation of the spirit of the Federal spending limits. It is an end run on what the law says can be spent on a campaign.

No one can be held accountable for the false or misleading information those ads might convey, because the public doesn't know who paid for the ads. And yet in the 1996 election cycle, advocacy groups and the two parties spent more than $135 million on issue ads. That is about one-third of the $400 million that was spent on broadcast advertising by all Federal candidates last year.

Kathleen Hall Jameison, director of the Annenberg center, concluded that issue ads "set an agenda different from that of either candidate and, in some cases, drown out the voices of these who are actually running for office."

We run the risk here, Mr. President, of the candidates becoming bit players in a contest that occurs at a higher level between dueling interest groups spending millions of dollars running issue ads with soft money.

McCain-Feingold appropriately proposes a more precise distinction between ads supporting or opposing an issue versus those supporting or opposing a candidate. I am convinced, based on my own reading of the Supreme Court decisions, that that provision will withstand the constitutional test.

The soft money ban and the crackdown on illegal issue ads, which I have spoken to, are two of the most critically important and politically realistic reforms that we can hope to make. I say politically realistic in the sense of being related to the political reality that we all have experienced in campaigns, and it was vividly documented in the hearings that the committee held.

Other provisions in the McCain-Feingold bill—strengthening disclosure requirements, outlawing the solicitation of campaign donations in Federal buildings and limiting the amount of personal money that candidates may contribute to their own campaign—will also help bring our fundraising system back under control.

But, Mr. President, I regret that the bill has been stripped of the voluntary spending limits in it, because I believe that ultimately the best way to end corruption or the appearance of corruption in campaigns is to impose spending limits on campaigns.

I know that there is a disagreement among Members on whether that would be constitutional. Under the Buckley versus Valeo decision, mandatory spending limits would not be constitutional. If I had my druthers, as Li'l Abner used to say, personally I would like to see that 1976 Supreme Court decision overturned, because I think the central principle established by that case, that money equals speech, is not right, and, even if it had some validity in theory in 1976, it no longer reflects the reality of the last 20 years of campaign raising and spending.

Money doesn't equal speech. How can speech be free if it costs money? How can speech be free if you have to spend money to get it or, as I believe my friend and colleague from Georgia, Senator CLELAND, who is on the floor,

said in our committee—and I paraphrase knowing I will not achieve the pungency that he did—if money equals speech, if you have to have big bucks to have speech, that means the people who don't have big bucks aren't going to have any speech. Is that what the Framers of the Constitution intended when they adopted the first amendment? I can't believe that they did.

Several times in the history of the Supreme Court, the Justices have applied principles of law that did damage to our country and that experience ultimately proved were not realistic. That most tellingly was the case when the Court upheld segregation laws on a theoretical basis of equal protection when the reality of equal protection was not there.

It took until 1954 when a massive amount of evidence was brought before the Supreme Court to show that separate but equal was in fact not equal—only then did the Court strike down those discriminatory laws. In another way, this was true with some of the labor laws adopted in the earlier part of this century.

Minimum wage laws were originally struck down as violations of employee's rights to contract until a case was built by advocates for those laws which showed that the right to contract, though noble in theory, was not real when you had two unequal parties negotiating the contract. So the Supreme Court reversed itself, and upheld the minimum wage laws and maximum hour laws to protect working people from being exploited.

Respectfully, I think the same scenario is true with regard to the interpretation of the first amendment rendered by the Supreme Court of 1976 in Buckley. Let me just point out for the record, which a lot of folks forget—I forgot myself before I went back and read the Buckley decision—that the post-Watergate reforms, the 1974 Federal Election Campaign Act didn't just say that Mr. Buckley, who was a part-time resident of my State and truly one of the Lord's noble people, could spend his own money and not being restricted from doing so by the law, but the Buckley decision struck down the preexisting limits on what Members of Congress could spend in their campaigns—the 1974 act actually had limits that Members of both the Senate and the House could spend on their campaigns based on a certain amount per voter in the State—the Court struck that down on the theory that that was an element of free speech.

But what is the reality? The reality is that the unlimited spending that has occurred has distorted and constricted free speech. It has limited the free speech of those who don't have the money. It has undercut the other fundamental bedrock principle of our Government that everybody should have equal access to Government. All people are created equal, all created in God's image. Our rights were given to us not by Congress, but by our Creator, as it says in the first paragraph of the Declaration of Independence. That principle clearly has been compromised by the enormous sums of money people are spending in political campaigns today.

I must also say that the testimony we heard, and I understand we didn't hear exactly a random sample of contributors of big soft money contributions, but it seemed to me, at least, that those generous contributions were not political speech in the way we normally contemplate.

Roger Tamraz did not give $300,000 because he had a particular feeling that he wanted to express about an ideology, a candidate or a party. He was buying access. He was trying to make money. It was clear that he was willing to spend $300,000, $600,000 because he would have made hundreds of millions of dollars if his pipeline proposal had been adopted.

Johnny Chung, Yogesh Ghandi, the whole range of people who were buying access through soft money, they were not interested in political speech as we know it, the kind of political speech that the Founders of our country established in our formative documents.

They were buying a picture with the President to take back home, as one said, "to put powder on my face so I would look better so I could convert that into business." They were looking to do business. They were looking to influence Government to make them richer. That is not political speech in the traditional way in which it has been known. They were advancing their interests.

White House coffees, photo-ops with the President, breakfasts, lunches, dinners with Members of Congress—these are the things that top-dollar contributors enjoy. These are the things that are protected by the Buckley decision. These are things that we do not normally consider to be speech in the fullest sense of our democracy.

Jefferson, I think, would be surprised—Madison, Hamilton, Adams, no matter which side they were on, in the early debates of our country's history, they would be surprised to see that it is the rights of Roger Tamraz and Johnny Chung that we are now using the first amendment to protect. The Supreme Court adopted that theory in 1976, but now we have the facts. And with the facts, I hope someday we can reverse this decision.

I know that more than 20 State attorneys general of both parties have formed a task force to see if they can find a case to take back to the Supreme Court to relitigate the Buckley decision, because the fact is that you cannot really have contribution limits without spending limits that are effective.

When candidates and parties are free to spend as much money as they want, they will. That is what the record shows. They will find ways to raise that money in larger and larger amounts even if it means ignoring the results and breaking the law because the stakes are enormous. Those who continue to argue for the Buckley decision are just not considering the realities of what has happened under that decision. And those realities are based on the realities of human nature and the give-and-take of today's real political world.

Despite all of that, we have to legislate within the Buckley decision. We have to recognize that reality. Within that decision, I think the McCain-Feingold proposal, by banning soft money and regulating issue ads, does as much as we can possibly do and does a lot to put us back on course to protect the equal access to and founding principles of our Government.

If we do not adopt something like this, I hesitate to think about what the future is going to look like. Despite all the congressional hearings, all the special investigations, all of the concern about foreign money and big money in the 1996 campaign, the fact is that while all this attention has been given, Federal Election Commission records show that the two parties have actually raised $34 million in soft money in the first half of this year, which is not less than the last comparable period, it is 2½ times the $13 million raised in the 6 months after the last election.

These numbers are going to continue to escalate, Mr. President, unless we find the courage to rein in the system, to rein in ourselves. If we face the 2000 Presidential election without any change in the law, I am afraid it is going to be the biggest auction in American history.

What is going to be for sale is our Government. And what is going to be lost is the people's faith in public service, which will erode at ever-alarming rates unless we give them, by our actions, reason to respect the political system. Our own integrity, human as we are, full of frailties as we are, our own integrity will continue to be threatened by the pressure to spend big money in an unlimited system and the need, therefore, to raise it.

Mr. President, the people are watching. They are skeptical. We can control temptations that inevitably arise when gigantic amounts of money are available for political campaigns. Millions of them have, in fact, given up on us and our system, bringing our great democracy I am afraid to one of the lowest points in its proud history.

We have it within our capacity to change all this, to work together across party lines to reform the status quo of the campaign finance system, to return our politics to a higher ground and revive our citizens' trust in their

Government by adopting genuine campaign finance reform like that included in the McCain-Feingold bill.

The question remains, and it will echo throughout the debate this week and next, will we do it? Will we seize the moment or will this debate ultimately be just a lot of sound and fury that will ultimately produce nothing?

I thank the Chair and I yield the floor.

Mr. NICKLES addressed the Chair.

The PRESIDING OFFICER. The Senator from Oklahoma.

Mr. NICKLES. Mr. President, I wish to speak on campaign reform, but I also see my colleague from Georgia is here. I have kind of come in two or three times to speak thinking maybe we are going to alternate. I do not want to impugn on his time.

Mr. CLELAND. Mr. President, I yield to the Senator from Oklahoma.

Mr. NICKLES. I thank my colleague from Georgia. It is a pleasure to serve on the Governmental Affairs Committee with him. He is one of the members, as well as the Senator from Connecticut, who spends a lot of time on the committee and does a very good job, I will say, in really trying to find out what has happened and what the facts are.

Mr. President, just a few general comments on campaign reform. Everybody says, "Well, now we change the law. It's vitally important for us to change the law." I think it is more important, and maybe the best campaign reform that we could have would be enforcement of the existing law.

Why in the world, if the statutes are very clear on the books—and some people say they are ambiguous; I think I will show in a moment they are not that ambiguous—why in the world should we be worried about changing the law if we are not going to enforce the law as it is written?

We have numerous cases that, I believe clearly, laws were broken, and in some cases flagrantly broken, and yet we have seen almost no enforcement from this administration, and yet they are out there beating the drum, saying, "Change the law. Change the law." It reminds me of something like somebody has been robbing banks and says, "Oh, yes, let's have a tougher law against bank robbing. Oh, yeah, I've been doing it a long time. Oh, yeah, if I get caught, I'll send the money back." I don't think that is good enough.

As a matter of fact, this administration has been caught with their hand in the cookie jar for millions of dollars. They have sent millions of dollars back, and they say, "Well, that's OK." Well, I do not think that is OK.

If the law has been broken, it should be enforced. If we would enforce the law, if we would actually indict people, if we would arrest people, if we would seek their participation and comments before a grand jury, I think that would do more for campaign reform than any of the bills that we have before us.

And we have a lot of bills, good bills I will say, Democrat bills, Republican bills. Before we do that, we have several statutes that are on the books that ought to be enforced. Frankly, they have not been enforced. You might say, "Well, give me an example."

One that has been kind of famous is 18 United States Code 607: prohibits soliciting and receiving contributions in Government building.

I know we heard from Mr. Sandler, who is general counsel for the Democratic National Committee say—well, he interprets that to mean that you can be in a Federal building, you can make all the phone calls you want on hard money, soft money, as long as you are calling somebody that does not happen to be a Federal employee in a Federal building, that you can do it.

That is an absurd reading of the statute. I do not see how an intelligent person can read the statute and come to that conclusion, but that is the Democratic National Committee's general counsel, that was his general summary. It seems to be the advice that the Vice President has followed, to say he has broken no law.

But the law is very clear. It says it should be unlawful for any person to solicit or receive campaign contributions in a Federal building, period. If you look further, the definition of "contribution," is "money received to influence an election." So I think they have broken the law.

Maybe we will just ignore the law and say there is no controlling legal authority because that law has not been enforced. But my guess is no other administration in history has ever broken the law like this administration, never abused the law, never pushed the envelope. I think they pushed well beyond the envelope. I do not think it is into the gray area. I do not think it is a couple cases where somebody called you back and, "Well, yes, we'd like for you to host something." I think this was systematic, flagrant—"Let's raise a lot of money." I believe very much that the President and the Vice President were involved in it. The President had a memo that said, "Start the overnighters at $50,000 and $100,000." I happen to think that is the silver bullet people are talking about.

The President of the United States said, "Let's start the coffees." He is talking about raising money. They had 103 coffees. They raised $26.4 million. In the President's own handwriting he said, "Start them." Guess what, they started right after he said, "Start them." "Start the overnighters"—they started the overnighters. They had hundreds of people spending the night, hundreds of people spending the night in the White House, more than any other administration, a volume that they have never seen before. And a whole lot of them were contributing $100,000. We had the FBI testify that 51 averaged over $107,000 each to spend the night in the White House. I happen to think that is a flagrant violation of the current law, the law as it is written right now.

We could just go on and on.

And 18 United States Code 600: prohibits promising any Government benefit in return for political support. Johnny Chung is reported to have donated $25,000 to Ms. O'Leary's favorite charity at her direction in order for Mr. Chung to obtain a meeting with several Chinese businessmen. He contributed the money. He got the meeting. Ms. O'Leary's charity got the $25,000. He also donated more than $360,000 to the DNC from 1994 to 1996.

And 2 United States Code 441(e): prohibits a foreign national from making a political contribution either directly or through another person. Also prohibits anyone from accepting such contributions.

Pauline Kanchanalak contributed $135,000 which the DNC had to return when it was revealed the contribution was actually from her mother-in-law. She visited the White House 26 times, she testified. Yet, has she been before a grand jury? Has this administration done anything to compel her testimony for laundering funds? I do not think so.

Charlie Trie contributed $789,000 to the President's legal defense fund which we heard testimony that some of the checks were laundered through a Taiwan-based religious sect, Suma Ching Hai. He also received a steady stream of wire transfers from foreign sources from 1994 to 1996, totally $1.4 million, some of which came from Mr. Wu, his Macao-based business partner.

Some people said, "Well, we haven't seen any foreign money." They have not had their eyes opened.

Mr. Trie had a lot of foreign money, $1.4 million, wired in, and he had great access. This is a person who is a Little Rock restaurant businessman. And all of a sudden he is spending millions of dollars, had unbelievable access to the White House. He visited the White House at least 37 times. He received a Presidential appointment to a foreign policy commission, one that the President had to expand the number of commissioners so he could serve on it.

John Huang directed a $50,000 contribution to the DNC through Hip Hing Holdings which was reimbursed from Lippo's Indonesian headquarters. John Huang and a DNC fundraiser, Maria Hsia "Shaw," collected $100,000 to $140,000 from Vice President GORE's Buddhist Temple fundraiser of which half had to be ordered returned from foreign sources. A lot of that money was laundered as we found out through testimony. It happens to be illegal.

United States Code 201: prohibits any Federal official from receiving any benefit in return for official action. Johnny Chung brought in six Chinese officials to hear the President's radio address and gave the First Lady's chief of staff a $50,000 check in the same week that he was able to get them in. In exchange for $50,000, they were able to attend the radio address. That happens to be illegal. Has Mr. Chung been indicted? Has he been brought before a grand jury? Has he testified before the Senate committee? No. Mr. Chung made a statement, "I see the White House like a subway; you have to put in the coins to open the gates."

I could go on and talk about Charlie Trie getting a Chinese arms dealer into a White House coffee with President Clinton. Only 4 days before the coffee, it is reported, Mr. Huang's arms trading company received special permission to import 100,000 special assault weapons, although there was a ban on the importation of these assault weapons.

United States Code 7201 prohibits evasion of income tax; United States Code 371 prohibits conspiracy to defraud the United States. The Buddhist temple is a tax-exempt organization. They made contributions to Vice President GORE, they made contributions to other colleagues in this body, they made contributions at the DNC with tax-exempt dollars. People were getting tax deductions, writing checks to the Buddhist temple, and the Buddhist temple wrote political checks. Everybody else in the country who writes political checks has to do it with after-tax dollars. In this case, people got a tax deduction for contributing to a Buddhist temple, and it was the Buddhist temple who was making contributions.

That is wrong. That is against the law. That is against the IRS Code. I just quoted the IRS Code. Who has been indicted on that? This is an egregious violation of the law. It has happened time and time again.

My point is we need campaign reform. In my opinion, one of the best steps we could take toward campaign reform would be to enforce the existing law. Maybe we should enforce the existing law and find out where its shortcomings might be before we try to expand the law or redefine the law or change the law.

Now, Mr. President, I want to make a couple of comments concerning the legislation that we have before the Senate, the so-called McCain-Feingold legislation. First, let me compliment the authors of the legislation because I think they made some steps in the right direction. They have improved it and taken off, as I can see, the spending caps. They have taken off the ban which, incidentally, I think is clearly unconstitutional. They have taken off the ban on PAC's, political action committees. Those are steps in the right direction.

They did a couple of things, though, that need to be improved upon, one of which is they said, well, we are going to codify Beck. We are going to make sure union members can get their money back. That is the language I have heard bandied about on the floor. Mr. President, that is not good enough.

I firmly believe we should make sure that all Americans have voluntary contributions to campaigns. No Americans should be compelled to contribute to a campaign, whether they work for a business, whether they are a member of the union, or whether they are not a member. Some say that is an antiunion provision, a killer amendment. I beg to differ. If we are going to pass campaign reform this year, we will pass a provision that makes campaign contributions voluntary for all Americans.

I feel very, very strongly about this. You might say, where did this come from? It came from a town meeting I had in Collinsville, OK, when an employee of American Airlines held his hand up, and one of the first questions he asked was, "Senator NICKLES, I really don't like my money being taken away from me on a monthly basis without consent to be used to elect people and support issues I don't agree with. That is not America. That is not right." The company the person worked for happened to be American Airlines. He happened to be what some people call a blue-collar, middle-income American. He is a great American. He is a union guy. He is prounion. He just wants to have a voice on whether or not he is going to contribute to a political party or not.

I happen to agree with that. I happen to be a Republican, but I don't want anybody taking my money to spend it for political purposes without my consent. It would be over my body. I don't think anybody should be compelled to contribute to a different campaign or to a campaign they don't agree with. If you are going to have compulsory campaign contributions, you have lost real freedom, you have lost your political freedom. To say, "We will give you information on how you can get a refund," is not satisfactory. That is after the fact. That is after your money has already been taken away from you, spent in a way you didn't like, and, "Oh, yes, you can file for a refund. Incidentally, you have to go through a lot of trouble if you file."

Guess what? You can't be a member of the union. Under the Beck language we have in the McCain bill and under the language that is currently out, if you get a refund, you have to be basically a nonunion member. You can't vote in union elections. You can't decide who would be president of that union. You can't have any impact on the collective bargaining strategy. Maybe you want to be a member of the union. Maybe it is the thing to do, but you disagree with the union's political agenda. Right now you don't have a choice. You can't have both. You can't be in the union and say, "No, I don't want my money going to elect liberal Democrats or to elect people who have a social agenda that I disagree with." You don't have that option under current law.

We will change that. If we are going to have campaign reform this year, we will have the underlining promise that all campaign contributions will be voluntary, period. Every employee that works for any company should know his campaign contributions will be voluntary. If he doesn't want to make them, he doesn't have to make them, period, whether they are a member of the union, not a member of the union, whether they work for a company that doesn't have a union, they should all know, nobody should be compelled to contribute to a political campaign against their will. Nobody.

So that is one of the amendments we have up here. I don't look at it as a killer amendment. I tell my colleagues I am willing to negotiate. I heard Senator MCCAIN say he is willing to negotiate. I am willing to negotiate. Senator LOTT asked me to see if we couldn't work out a bipartisan bill. I am willing to work with my colleagues.

I mentioned earlier, I think the McCain-Feingold bill took some steps in the right direction. I think it maybe has a couple of steps further to go. This is one of them. This is one of them. If we are going to have campaign reform, in this Senator's opinion, it will have to start with the premise that all campaign contributions will be voluntary; make sure that no one is compelled.

Then what else can we do? We can do a lot of things. Some say ban soft money, others have proposals to limit soft money. Some say allow individuals to do more. Some people have ideas requiring that a certain percentage has to be raised within an individual's home State or district. I think all those things are legitimate for discussion. Let's put them all on the table. Some people have a proposal that says you can't contribute to campaigns unless you can legally vote. I think that is a good proposal. Other people want to have free TV time. I don't happen to agree with that. Some people want to have subsidized TV or half-rate TV for political candidates. I don't agree with that.

I am willing to talk about it. I am willing to negotiate. I am willing to negotiate everything I mentioned, but the one fundamental thing I draw a line on is that the campaign contributions have to be voluntary.

I take issue with anybody who says that is an antiunion bill. That is a proworker provision. That is a profreedom provision. It is basically saying no one should be compelled to

contribute to a campaign against their will. That is a fundamental American freedom. We should be ashamed of ourselves for making anybody be compelled to contribute to a campaign against their will.

We will fix that. I hope we will fix it. I believe we will fix it. I also believe that will be part of our bill, and then I will tell my colleagues I don't look at it as a killer amendment, because I'm willing to work with them to try to pass real, substantive campaign reform.

Keep it constitutional, do not limit speech, encourage participation, make it possible for more people to participate, do not come up with a system that guarantees incumbents' advantage. I am more than willing to do other things that would limit incumbents' advantage. We can say, incumbents, you can't do any mailings in an election year. That will crimp it down a little bit. Incumbents, you cannot have carryover funds. We can do a lot of things for real campaign reform that we could pass in a bipartisan fashion.

I believe one fundamental freedom should exist that we should all agree on, Democrats and Republicans, and that is that all campaign contributions should be voluntary. That is the reason why we have the Paycheck Protection Act. We don't want anybody reaching into your back pocket, taking your money out, and spending it for political purposes unless you say OK. That is your back pocket. You are the one who worked hard; you are the one who put the money in there. Nobody—no group, no association, no employer—should be able to reach in and say, "I will take a little bit out and spend it the way I want without your permission." We will protect your paycheck and let you have control over it. That will be part of this bill. It will be the first amendment I believe we will vote on.

I urge my colleagues to vote for it.

Mr. CLELAND addressed the Chair.

The PRESIDING OFFICER. The Senator from Georgia is recognized.

Mr. CLELAND. Mr. President, I enjoyed the remarks of my colleague from the great State of Oklahoma.

Mr. President, this is a day I have been waiting for since I had the great honor and privilege of taking my oath of office as a U.S. Senator back in January: a day when we are debating pending campaign finance reform legislation on the Senate floor. It has been a long and tortuous road since January, and on more than one occasion, we have all heard pronouncements that campaign finance reform was dead for this session, if not for all time.

That we are here today is a great tribute to the perseverence an effectiveness of my friends and colleagues, Senators MCCAIN and FEINGOLD, as well as the relentless commitment of the Democratic leader, Senator DASCHLE, to the cause of campaign finance reform.

I wish also to thank the distinguished majority leader for affording us the opportunity to debate, and cast meaningful votes, on this vital issue.

This is also a testimony to the groundswell of public opinion that is compelling us to act on a very embarrassing matter, the way we raise political money.

Will Rogers said it best: "It takes a lot of money now days to even get beat with." That was said over 70 years ago. It is certainly even more true today.

But, in describing the current unremitting, unforgiving money chase which has overtaken our democratic process, especially, at the Federal level, in such a manner as to have a "for sale sign" on both ends of Pennsylvania Avenue, I like the quote by W.C. Fields to the extent, "We must take the bull by the tail and face the situation."

As we begin this Senate debate on whether or not we should enact far-reaching restrictions on the current way money is raised and spent for Federal office in America, we must face the situation that this current system is fatally flawed. It has enough loopholes in it to drive a fleet of 18 wheelers through it and is rendering our democratic process and our Government, which flows from that process, vulnerable to influence peddling, the inordinate impact of special interest pressure groups, foreign influence and outright corruption.

It's time to take the bull by the tail.

I for one have been fighting this battle for campaign financing reform for many years.

In 1974, in the wake of the Watergate scandal, I introduced legislation in the Georgia Senate when I was a State senator limiting campaign expenditures and contributions. As Georgia's secretary of state in the 1980's and early 1990's, I fought for tighter limits on campaign giving, and full disclosure of lobbying expenditures.

As a U.S. Senator sworn in this year on January 7, the first legislation I signed as a cosponsor was the McCain-Feingold campaign financing reform bill. I am 1 of 45 of my Democratic colleagues and 4 of my Republican colleagues pledged to support the McCain-Feingold bill in its present form when it comes to the floor of the Senate.

Also, as a new Member of the Senate, I volunteered for service on the Governmental Affairs Committee, which has been conducting a far-reaching investigation into the multitude of alleged illegal and improper activities associated with the 1996 campaign. Just last week, the committee turned to consideration of suggested remedies for such abuses. All year long, I have listened to numerous witnesses, sifted through countless pages of testimony, read scores of media reports, and otherwise immersed myself in the nitty-gritty of the financing of Federal campaigns last year. I also had the personal experience of enduring the current process in my own race for the U.S. Senate in 1996.

Sitting in these hearings and seeing the sordid tale of the money chase in 1996, has turned my stomach. I also think the American public has viewed all this with increasing disgust. What I have witnessed, heard, and read has made me even more convinced than ever that we must strengthen our campaign financing laws, now, and provide strong enforcement through the Federal Election Commission of these laws, or risk seeing our elections process, which is supposed to be conducted between the candidates, the press, and the voters, be swept away in a tidal wave of big bucks. Unless we act now, we will only see the power of special interest groups, corporations, and unions to pedal influence grow. We will only see our system more and more vulnerable to foreign governments and unscrupulous individuals. Unless we tighten our laws, we will see our system more and more operating against the public interest.

I don't think our Founding Fathers, especially Thomas Jefferson and James Madison, had that in mind when they helped create this Government.

Mr. President, the other day I was over in the Library of Congress and received a marvelous book by James Madison, titled "The Search for Nationhood." Mr. President, I am afraid that more and more candidates for Federal office are not so much in search of fulfilling our search for nationhood as they are for fulfilling the search for money.

I certainly don't think they had that in mind when they led the effort to create the U.S. Senate. Jefferson and Madison led the way to create the Senate to look at the long view of American government, and provide a balanced approach for the future of our country.

Thomas Jefferson, the author of the Declaration of Independence stated in that magnificent document that the Founding Fathers had pledged their lives, fortunes and sacred honor. They didn't say that in order to set up a democratic form of government that one had to spend their lives to pursue a fortune to run for public office and jeopardize their honor in the process.

Opponents of McCain-Feingold tend to concentrate their spoken criticisms on its alleged violations of free speech. Those criticisms mistakenly equate money with speech. It is an equation which inevitably leads to the conclusion that the paid speech of the millionaire will have greater weight and influence than the opinions and expressions of the common man and woman.

Certainly there can be little doubt about the commitment of James Madison, Father of the Constitution, an architect of the Bill of Rights, and President of the United States, to the great cause of free speech. But listen to what Madison wrote in The Federalist Papers:

> But what is government itself, but the greatest of all reflections on human nature? If men were angels, no government would be necessary. In framing a government which is to be administered by men over men, the great difficulty lies in this: you must first enable the government to control the governed; and in the next place oblige it to control itself.

While he was certainly both a revolutionary and a visionary, Madison never allowed himself to stray too far from the practical realities of the world in which he lived. To him, the lack of human perfection was thus the basis for government, and a factor which must be taken into account in providing a government with sufficient powers to accomplish its necessary functions, while at the same time holding it fully accountable to the governed. We must hold those who run for Federal elective office fully accountable to tight regulations and complete disclosure in the raising and spending of campaign dollars.

Last week on the Senate floor, Senator THOMPSON delivered a very fine statement on campaign finance reform and free speech in which he pointed out that, in the real world, this current debate about campaign finance reform and free speech is not one of absolutes, as some would have it. This is not a choice between a system of unfettered free speech and government regulation, for our current system recognizes many, many instances in which there is a legitimate, and constitutional, public interest in regulating speech, from slander laws, to prohibitions on the disclosure of the identities of American intelligence agents, to the campaign arena itself, with a longstanding ban on corporate contributions, and quarter-century and older limits on other forms of contributions and disclosure requirements.

So the debate really isn't about free speech. TV isn't free, yet it's the main vehicle by which Federal candidates connect to their voters, and the single most important factor driving up campaign costs. In the words of Dr. Norm Ornstein, a noted political scientist and recent witness in the Governmental Affairs hearing, the question is not free speech, but whether we will erect some fences to prevent the worst abuses of campaign financing to occur. I'm for tighter fences, to prevent the horse from getting out of the barn next time.

Campaign finance reform opponents also sometimes claim to be concerned that such efforts will further increase the advantage currently enjoyed by incumbents. Even on its face, I have a hard time taking this argument seriously. I am aware of very, very few cases in the real world of contemporary American politics, whether at the Federal, State, or local level, where incumbents do not enjoy a substantial advantage over challengers under the current system. And, it is difficult to imagine any situation under which any form of campaign limits, whether on contributions or spending, will not constrain far more the incumbents rather than the challengers.

For example, earlier this year, the group Public Citizen presented one of the first detailed analyses of the likely impact of the expenditure limits contained in the original version of McCain-Feingold, based not on theoretical conjecture, but on the actual results had S. 25 been in effect in the most recent elections for each of the 100 U.S. Senate seats, based on the 1992, 1994, and 1996 Senate elections. The findings of the Public Citizen study clearly demonstrate that had the provisions of McCain-Feingold been in effect since 1992, Senate campaign spending would have been reduced by $259 million—that's $259 million—with far more of this reduction coming among incumbents than challengers. While fully 90 percent of all the Senate incumbents were able to exceed McCain-Feingold's spending limits, just 24 percent of all the challengers did so. In other words, 9 out of 10 Senate incumbents would have been forced to spend less by McCain-Feingold, while only one in four challengers would have seen their spending constrained. This should put to rest any legitimate argument that spending limits are an incumbent's protection measure. The record does not bear this out, and as the figures demonstrate, this is not even a close call.

Some also charge that McCain-Feingold, in whatever version, would somehow advantage Democrats more than Republicans. First of all, one of the prime sponsors of S. 25 is my good friend and fellow Vietnam veteran, the distinguished senior Senator from Arizona. Senator MCCAIN is many things. He is a wonderful human being, and a fine Senator. But, he is also a very faithful Republican. He would never put forward a proposal which would harm his party.

Once again, the Public Citizen report bears out this commonsense wisdom.

Since 1992, almost identical portions of Democratic and Republican Senate candidates would have exceeded McCain-Feingold spending limits: 54 percent of Democrats, 59 percent of Republicans. You can't get much more of a level playing field than that.

And, while the revised version of McCain-Feingold does not contain spending limits, the principles of greater constraint on incumbents than challengers, and of relatively even partisan impact, applies to soft money and issue advocacy advertising as well.

As I have told anyone who has asked, I like being a U.S. Senator. Having the privilege of representing my State in this body, where such giants as Clay, Webster, Calhoun, Norris, LaFollette, Dirksen, and Russell have served with distinction is the greatest honor of my life. But, sitting here day by day, with evidence continually mounting in the Governmental Affairs Committee hearings of campaign abuses, and public opinion surveys chronicling the loss of public trust in the political process, not to mention the ongoing massive fundraising which takes place all the time in the Nation's Capital, I cannot but conclude that the current campaign finance system is broken and cries out for reform.

We have heard a lot of talk, and we will hear more talk this week and next, about these abuses, and about the general topic of campaign finance reform. But, the time is coming when we must take action. Certainly, the revised McCain-Feingold package is not perfect; it is not all that I think needs to be done to remedy our problem, but it is an essential first step aimed at dealing with the worst of these abuses which currently plague our campaign system.

The revised bipartisan campaign finance reform proposal does not contain spending limits, does not contain limits on PAC's, and does not provide free or discounted broadcast air time for Federal candidates, all of which I personally favor. It places no limits on what groups or organizations say in their campaign-related communications.

What the proposal does do is this: It bans soft money contributions to and spending by the national political parties—something that has been the bane of those that care about campaign finance reform, and who have witnessed the testimony before the Government Affairs Committee. It should be noted that the pursuit of soft money is at the root of almost all of the questionable fundraising activities identified to date by the Governmental Affairs Committee upon which I sit.

I might say also that if you ban soft money then all contributions, whether you are a union member, a citizen, stockholder, would be voluntary because you would have only two ways you could contribute: Independently on your own, or through a political action committee registered with the Federal Elections Commission. That is voluntarily as well.

The bill modifies the definition of "express advocacy." These are ads, unfortunately, that don't provide a clear distinction between communications used to advocate issues from those used to back or oppose candidates. This bill would require that clear distinction.

Under the proposal, independent groups will be free to air either kind of ad, but to qualify for the "issue ad"

designation and thereby to avoid the disclosure and financing requirements applied to candidates and party committees, they merely have to not use a candidate's name or else run more than 60 days before the election. This hardly represents an infringement on free speech.

It improves the enforcement of existing laws by expanding disclosure and Federal Election Commission monitoring capability. It strengthens current law in such areas as fundraising from Federal property, and the use of the congressional franking privilege.

It strictly codifies the Beck decision concerning the right of nonunion members to have a refund of any union fees used for political purposes to which they object.

It bars political parties from making coordinated expenditures on behalf of candidates who do not agree to limit their own personal spending on their own behalf.

It bans all campaign contributions and expenditures by foreign sources.

In addition to this core package, Senators MCCAIN and FEINGOLD will offer an amendment, which I strongly support, to establish a voluntary system in which those candidates who raise a majority of their contributions in their home State, accept no more than 25 percent of total contributions from political action committees, and spend no more than $50,000 of their own money in the election would receive a 50-percent discount on television costs.

We must have controls—rigid, well-enforced controls—on campaign financing because campaigns are the embryo of democratic government itself. Men are not angels, yet we must find ways to govern ourselves in a fair and democratic manner. Therefore, we must enact laws to control the financing of campaigns for Federal office in a fair and democratic manner.

My colleagues, the country is watching what we do on campaign finance reform. Make no mistake about this. They are understandably skeptical that we will take action to reform the system under which we all were elected. Their expectations for our action are quite low. Let's surprise the public as well as ourselves. Let's prove that physicians can heal themselves. Let's take the bull by the tail.

I urge my colleagues to support the distinguished efforts of two courageous Senators, JOHN MCCAIN and RUSSELL FEINGOLD, who through their diligence, persistence, and strong belief in upholding the finest traditions of our democratic process have brought us to this hour.

I yield the floor, Mr. President.

Mr. FEINGOLD addressed the Chair.

The PRESIDING OFFICER. The Senator from Wisconsin.

Mr. FEINGOLD. Mr. President, let me first thank my friend, the Senator from Georgia, for his kind remarks, but more importantly for his steadfast support on the issue of campaign finance reform.

The first thing that the Senator from Georgia did when he became a Member of this distinguished body was to cosponsor our legislation. But he didn't stop there. He has been out here every single time we have had to fight the battle. And I know he will be again. I thank very much the Senator from Georgia for his support.

I also want to thank my colleagues, Senators LEVIN, LIEBERMAN, DORGAN, COLLINS, and, of course, Senator MCCAIN for taking the time on what is usually a quiet Monday to have a very intense debate to continue this discussion on campaign finance reform.

Mr. President, one of the most important tactics that has been used already in this debate is to single out a couple of provisions of the McCain-Feingold modification and to suggest that they are the entire bill. It happens that the provisions that have been discussed—the issues having to do with express advocacy, and a couple of others—are very important provisions, but you would swear that they were the whole bill. That is because it is virtually impossible to criticize or attack the rest of the bill. Let us remember what is included in the entirety of the McCain-Feingold modification—the bill that we introduced today.

First of all, it completely bans soft money. We have heard virtually nothing on the floor effectively criticizing banning these $100,000, $200,000, and $500,000 contributions that have clearly undermined our political process and made a mockery of the fact that for almost a century corporations have not been allowed to give contributions to campaigns directly, and for almost half a century labor unions have not been allowed to give contributions directly to campaigns. Our bill bans that, and the other side apparently has dropped their concern about that.

There is also virtually no discussion of the fact that our bill strongly improves the provisions having to do with disclosure of information about campaign contributions; and strengthens the hand of the Federal Elections Commission so it can do its job; so we can enforce the current laws—the very argument that we have heard the majority leader and the Senator from Kentucky make. "Why don't we enforce the current law?"

Why no comment about the series of important provisions in our bill that do exactly that, that improve disclosure and improve enforcement?

Why no comment on the lowering of contribution limits from $200 to $50? If somebody gives $100 to a candidate, we think this ought to be reported.

Why no comment on the fact that our bill strengthens the hand of the Federal Election Commission by tripling the penalty for knowing, willful violations of Federal election law? This is exactly the kind of provision that the other side claims we should have and yet fails to mention it is part of the bill.

Why no mention of the fact that our bill does provide for electronic filing with the FEC on a daily basis of campaign contributions so that the public does not have to wait and the media do not have to wait for 6 months to find out whether a contribution occurred in close proximity to a vote? Our bill provides for that. Our bill provides that the FEC would make campaign finance records available on the Internet within 24 hours of their filing.

The bill also strengthens the hand of the Federal Election Commission by permitting the FEC to conduct random audits at the end of a campaign to ensure compliance with Federal election law. We are strengthening the hand of enforcement under the current law.

Why no discussion at all of the fact that our bill, in addition to the other issues, makes it absolutely clear that campaign contributions cannot be used for personal purposes? You cannot buy a new suit with campaign contributions. You cannot finance various family activities or mortgage payments or country club memberships. Some of this has been done in the past. Why no comment on the fact that our bill tightens up on that?

Why no reference to the fact that the McCain-Feingold bill requires political advertisements to carry a disclaimer that clearly identifies who is responsible for the content of the campaign ad?

Do you know what really irritates my constituents in Wisconsin? It is all those negative ads and the fact that the candidates who put them out make sure that they are not identified, that people do not know who made the ad? The McCain-Feingold bill says if you want to say it, you can say it, but how about letting us know you are saying it. The other side completely ignores this provision that I think would be of great appeal to many members of the public.

Why doesn't the other side say anything about the fact that the McCain-Feingold bill bans the practice of using mass mailings under the franking privilege in an election year? We get rid of that. We get rid of that incumbent protection provision in current law that allows Senators to send out thousands, tens of thousands, of items at public expense, at Government expense when they are running for reelection. We get rid of that. I happen to not do these mailings anyway. A number of Senators do not do them anyway. But we get rid of that in an election year. But no comment whatsoever from the other side.

Our bill also clarifies, which is long overdue, that it should be absolutely unlawful to raise any money or solicit

any money on Federal property, whether it be in the White House or whether it be in the Capitol or whether it be in one of these Senate or House office buildings. We do know that even Members of Congress have already said that they have done that. This bill makes it clear that there are no excuses for doing that in the future.

No reference from the other side except for a brief one to the fact that we do begin in this bill to voluntarily provide an incentive to candidates to limit their spending. Our bill, as we introduced it today as a modification to the underlying bill, says that if you contribute over $50,000 of your own personal money to a campaign, you can do that, but you shouldn't be able to get the large party-coordinated expenditures to assist you. We do that.

We have provisions relating to clarifying contributions regarding money contributions from foreign nationals.

All of this is in the bill. They are very good provisions. But yet, in an effort to distort what this bill is about, the focus has been on only one or two provisions rather than the heart of the bill.

Mr. President, I should like to summarize the debate today by pointing out that all of this emphasis on a couple of items in the bill to the exclusion of the rest of the bill is merely a prelude to the three principal arguments that our opposition has raised thus far as we have debated the issue on Friday and today.

The first argument has been the primary argument in the past, but it is flagging. The argument that our bill will be deemed unconstitutional by the U.S. Supreme Court just is not having the same luck it has had in the past.

The senior Senator from Kentucky recently said on one of the national news shows with reference to me, he said:

> Russ has got no constitutional experts with any credentials who will say that this is going to be upheld in court.

That was on Fox News Sunday, September 14, 1997. Not one constitutional expert, the Senator from Kentucky said, would support our view that the basic provisions of the bill are constitutional.

That was an unfortunate claim because 1 week later we were able to release a letter signed by 126 constitutional experts across this country representing 88 different institutions, including those in Kentucky, saying just the opposite—126 constitutional scholars specifically said that the ban on soft money and those provisions that relate to providing voluntary incentives to candidates to limit their spending are perfectly constitutional within the ruling of the Supreme Court 20 years ago in Buckley versus Valeo.

It is hard to read this chart because there are so many of them, because 126 of the leading constitutional experts in this country say that this constitutional argument is wrong. In fact, the constitutional argument is nothing but a smokescreen because it has been shifting from month to month. First, it was the claim that the PAC ban was unconstitutional, even though the Senator from Kentucky knew very well that we had a backup provision because of that concern which he himself had introduced in the past. The Senator from Kentucky had proposed the very provision that he said was unconstitutional. So then he shifted to saying that banning soft money was unconstitutional.

Well, that is not working out very well after 126 constitutional scholars say just the opposite. There is no credible argument under current law that banning that kind of contribution is unconstitutional. There simply is no credible authority who believes that.

So the Senator from Kentucky shifts again. He says that providing voluntary incentives to candidates to limit their spending is unconstitutional. But that is the very thing that Buckley versus Valeo laid out as a mechanism by which you could limit spending voluntarily.

So now the Senator from Kentucky seems to have dropped all of these constitutional arguments and all he has left now is to try to say that our attempt to clarify the meaning of express advocacy is unconstitutional. Well, he is wrong about that, too. But as he admitted in the Chamber today—and this is critical—in the worst-case scenario, in the very worst-case scenario, if he is right and we are wrong, the Supreme Court will simply strike that provision down.

Our bill is severable. What does that mean? It means that if the Supreme Court determines a provision is unconstitutional, they can sever that provision, leaving the rest of the bill intact. That's exactly what the Court did in the landmark case of Buckley versus Valeo, where the Court said you can't have mandatory spending limits, and it severed that from the bill, but the Court did say you could have contribution limits, which is what we have had for 20 years. This is where PAC's are limited to $10,000 per campaign, where individuals are limited to $1,000 per individual. So the fact is that these constitutional arguments, if they are right, in the worst-case scenario, will simply be dealt with by the Supreme Court doing their job. Now, why can't we do our job and let the Supreme Court do their job?

Where was the concern of the Senator from Kentucky about this when he voted for the Communications Decency Act, saying that it violated the first amendment? And the Supreme Court voted 9 to nothing: No, you can't do that. It was taken care of, it was struck down. It is not a law. So, this is a smokescreen. Mr. President, 126 constitutional scholars have already said that the basic provisions of our bill are constitutional.

So, the constitutional argument is flagging. So the opponents of reform, who I think sometimes can also be known as the filibusterers, go to a second tactic, that is killing the bill by trying to force a filibuster. Today, not surprisingly—the majority leader had his choice of any amendment he could offer. That is his right. He could offer a substitute amendment, a whole new bill, he could offer a simple amendment having to do with certain kinds of contributions or aspects of soft money or FEC enforcement—he could choose any amendment he wanted. What did the majority leader choose? And what did he use to fill up the tree? He used a provision specifically and harshly directed at labor unions. The majority leader, and I do appreciate his letting us have this bill come to the floor, came out here and said that that choice, to be the first item we debate, was not intended as a poison pill.

What does that mean? What it means is, he is saying he didn't pick that amendment as a way to cause a filibuster. But this does not square with what the majority leader said last Friday. He was quoted in the Wall Street Journal, saying "I set it up so they will be filibustering me." That is what I am talking about. He had his choice. He came out here, he purposely offered a strong antilabor amendment, he set it up in the hope that he would force Members on the other side of the aisle to filibuster the bill so that he and his colleagues would not be blamed for killing it. How can you say that's not a poison pill, if your very statement was that you set it up so the other side would filibuster? That is the definition of a poison pill. Let no one mistake this. This is an intentional effort to kill campaign finance reform.

Why, if this concern about this issue was so great, was it not brought up earlier? This is S. 9, that he has brought up. It is a bill I believe offered by the Senator from Oklahoma. Why was this not brought out to the floor earlier? Why is this the item that we lead with, if it is not intended to destroy campaign finance reform and make sure somebody else gets blamed for it? It is a poison pill. It's a more dangerous attack than the flimsy constitutional arguments. It does run the risk—it does run the risk of destroying the bill, and everyone should know that when we vote on the poison pill antilabor amendment, that is exactly what it does.

Most of the time that has been taken up on the floor of the Senate by those who seek to kill this legislation has been devoted to a third attempt. That third attempt is to make the public believe that this bill somehow creates a giant Government bureaucracy that is going to regulate their speech. If I

could just show a copy of the bill—the problem with that is, in the past, when folks have tried to argue that a bill is a huge Government bureaucracy bill, they hold up the bill. They hold up the President's budget: 2,000 pages. They hold up the health care bill and they weigh it on a scale. But this is not going to work with the McCain-Feingold bill. It is only 55 pages. It is pretty hard, the way lawyers write, to set up a giant Government bureaucracy in 55 pages.

But that is what they want folks to believe. They want folks to believe that somehow we are creating a new world of campaign financing that will change the way things are done in this country and will change the ability of members of the public to speak their mind in an election. I think it is just the opposite. I think what the current system is, I think the status quo, that the Senator from Kentucky defends so vigorously, is so at variance with the system that I grew up to believe in that it is shocking. I think we have come so far from the notion of one person one vote; so far from the notion that every child born in this country could grow up to serve in the House or serve in the Senate, or perhaps even be President, that it is an embarrassment.

Look at what Mr. Tamraz said recently about this system and how he apparently gamed it. He said, before the Governmental Affairs Committee on September 18, 1997, in response to a question—the question was a very direct question:

> Was one of the reasons that you made these contributions because you believed it might get you access? That's my question.

Mr. Tamraz' response was very straightforward. He said:

> Senator, I'm going even further. It's the only reason—to get access, but what I'm saying is once you have access, what do you do with it? Is it something bad or something good. That's what we have to see.

When I heard that comment from Mr. Tamraz I just couldn't help but think how far we had come from the America that I was brought up to believe in. Maybe I was naive, growing up back in Janesville, WI, but I really believed it when my parents told me that, "You may not be the richest kid in town, you may not be the most powerful person in the town or in the State or in the country. But every American has the same vote. Your vote counts the same as a Rockefeller's." That was the name we used in those days.

So, when you look at the story of what has happened in the last 30 years, I can't help but reflect that when I was 7 years old and John F. Kennedy was running for President, the way that we would sort of observe a Presidential campaign was not just through the television. There were a few television sets. You could go out to the Sauk County 4–H fair. There was a little Democratic booth. Just a few feet away was a little Republican booth. And there was a little ribbing going back and forth. You know, those booths have not moved an inch in 37 years. They are in the exact same place they always were. That is where the campaign was, people talking to each other.

Nobody said anything about raising money. I'm sure they had to fund their campaigns, but that was not what the news stories were about. I'm sure the Senator from Utah, who is on the floor, would agree with me, that that was not the nature of the discussion, who had the most money to win an election in those days. Then, as I got into my teen years, the civil rights movement came upon us, the Vietnam war, the beginning of the environmental movement, the women's movement—so many political movements; on the other side of the political spectrum, the great concern that arose about law and order in this country. These were the great discussions of our time, as well as others.

I recall some kind of conversation about Howard Hughes giving some money to both Presidential candidates, but it was sort of an odd story, an esoteric story. "What is going on? Why would this rich fellow, a recluse, give all this money to Presidential campaigns?" It was not the stuff of public life. It was not the news, who was giving what money to what political party. In fact, the gentleman who used to hold this seat before I did, a couple of Senators back, my friend Gaylord Nelson, told me recently that in his distinguished career in Wisconsin politics as a Member of this body for 18 years, he never once made a phone call to raise money. He never once picked up the phone and said: Hey, I'm running for reelection, can you give me some money?

I suggest that those were the good old days. What the Senator from Kentucky is trying to defend is a new world, where not only are Senators expected to make phone calls almost every day to raise money for their campaigns, but where Senators and others are encouraged to call up people and ask them for $100,000. This is not the system that I grew up with. This is not the system that led the late Robert Kennedy to refer to politics as an honorable profession.

Then, in high school, the people used to rib me a little bit. I guess I was a little bit too open about my desire to go into politics. Some of them would say, because I talked so much I would be a good politician, and other comments like that. But the one thing they never said to me was, "RUSS, if you want to go into politics you have to go out and make $10 million first; that there is an opening ante, there is an opening fee, that you must be a millionaire." That we are, in effect, recreating here in Washington the House of Lords, which we freed ourselves from over 200 years ago. Nobody ever said that to me.

Politics was still church dinners and Rotary clubs and the State fair and all those things that one may regard as corny. But the fact is, it was a pretty good system. This is a lousy system; a system where somebody pays $300,000 to get in a room to be with his competitor who has paid $300,000, a room that none of us could ever get in. That is a lousy system.

I was still under the perhaps naive belief, in 1982 when I sought election to the State senate in Wisconsin, my first race for public office—I was under the illusion that money wasn't important. Thanks to the good laws of the State of Wisconsin it wasn't terribly important.

I had no money, but the State law provided that if I could raise $17,000, the State would match it with $17,000 if I agreed to a $34,000 limit and that that would be a reasonable amount for a campaign voluntarily. That's what I did.

I wrote to every relative I had. I wrote to a few former professors and teachers of mine. They all sent in a few dollars. We had $17,000 by August, and we went out and campaigned. I went to the Sauk County Fair, walked in parades, and had some very civil and nice debates with my opponent.

I do remember a brief moment, though, at the end of that campaign when one of the senior Democratic officials in the State called me up and said, "RUSS, you're going to lose if you don't borrow $10,000 for the last few days."

I said, "I can't do that. I'm just not going to do that to my family."

He was almost right, because I only won that election by 31 votes out of 47,000. It was the closest election in the history of the Wisconsin State Senate. But the fact is, it was reasonable—$35,000. It was something I could at least think about as a person of average means.

Now the same races in that same district, just 15 years later, cost something like $250,000, $300,000 just for a Wisconsin State Senate seat that pays somebody some $35,000 to $40,000. But yet I still believe, because I won by the slimmest of margins, that running for office was not equal to having a lot of money.

I got a bit of a rude awakening, Mr. President, in 1987 when I started thinking about running for the U.S. Senate. I thought I had amassed a decent record over the years as a Wisconsin State Senator, and I wanted to run against the incumbent senator. But as I went around the State gradually for several years trying to build a grassroots organization, I wasn't asked what I had done in the State Senate; I wasn't asked what I had done before I was in the State Senate; I wasn't asked what my views might be. Almost every single encounter, whether with the media or with a potential supporter, was, "RUSS, this is fine and good and

you seem like a nice young fellow, but where are you going to get the money?''

''Where are you going to get the money, RUSS?''

''How can you possibly think you have a right or an opportunity to run for the U.S. Senate unless you are independently wealthy or if you are well connected to Washington?''

That was the message I was given over and over again. Anybody who knows the kind of race I went through—I had a lot of good fortune, obviously, because I am standing here—that was my biggest problem. I wasn't considered credible because I wasn't wealthy. That didn't feel to me like what my parents had told me. That didn't feel to me like the assurance that I would have a fair chance to compete with everyone else simply because I am an American citizen. It felt really bad. Maybe it made me work hard. Maybe it made me stay the course.

It got particularly difficult when I would go to a group with whom I had a good relationship; for example, the independent bankers, a group with whom I have a very good relationship. I always admired their independence in Wisconsin. And I said to them, ''Could you give me some support for my race?''

They said, ''Well, we think you have done a good job, but we have to check in with Washington.'' There is a guy in Washington who makes this decision.

Then when I checked in with some of my friends in the labor unions, whom I probably do support on many, many issues, I thought they would be able to decide at the local whether or not they would want to back me. But, no, they had to check in with Washington, with the Washington gatekeepers who want to kill this bill. That is what I learned about the system.

Of course, partially because my two primary opponents were both very well-heeled and attacked each other that I wound up winning the primary. They used their money to make each other look pretty bad, and I wound up winning the primary because I was the other guy who was running. And that gave me momentum to win the final election.

As I stand here with these colleagues I admire greatly, sometimes I wonder, am I the last person of average wealth and income who will ever serve in this body? Is the door going to slam on people who actually worry about making ends meet, people who actually worry about their mortgage payment, as I do? Am I the last person who is not a millionaire who will be invited to serve in this institution?

I don't think that is the way it will end up, but I can tell you this, if we don't pass a reform like the one we have before us today, it will be. I cannot in good conscience look at a high school senior today, as I was in 1971, and say, ''You know, it would be great if you pursued a political career; it will be wonderful; just learn the issues, work with people, show people that you are a natural leader.'' I can't just leave it at that. If I am being honest with a young person, I would have to say, ''And you better darn well come up with $10 million or nobody is going to take you seriously.'' That hurts my image of America that I have to say that to a high school senior today.

The opponents of this bill have absolutely no answer for those high school students. They say somehow that free speech in America means that they don't matter, it means that they can't participate, it means that they don't have the same right that everyone else does to run for an office in the House or Senate and have some kind of a belief that they can prevail.

Each of us, I suppose, wants to tell our own story of how we got here, as I just did. It is a great honor to serve in this body. Less than 2,000 Americans have ever done so. I appreciated it when the majority leader the other day spoke to some of his concerns when he was running for office. This is the only issue where all the Members of the Senate are experts, because we have been through it and we know.

But the reason I am involved with this bill is that the senior Senator from Arizona had the courage to come to me and say, ''Look, we've got to do something to change this system, to put aside our partisan differences.'' We just decided that we couldn't live with a country where a Presidential candidate would begin his campaign, make the high point of his announcement for President the following statement:

> I have the most reliable friend you can have in American politics and that is ready money.

That was a leading comment in an announcement for President of the United States. I don't remember either John F. Kennedy or Richard Nixon leading their campaigns in 1960 with that comment, or anyone else. That is a tragic commentary on where we have come over the years.

So that is what this really comes down to. You have heard the constitutional arguments and have seen them fall. You see already an attempt to bring a ''poison pill'' out on the floor to kill this bill by making it too harsh for either side to accept and destroy its bipartisan nature. You have heard the effort to distort what this bill really does by suggesting that somehow our bill will create a large governmental involvement in free speech.

The fact is, it is this system that is destroying free speech. It is a system where people can give hundreds of thousands of dollars of unregulated money or give huge contributions or fundraisers of hard money to candidates that cut the average person out of the process. This is the corporate democracy that we have come to.

So, in the coming days, we will hear more of the efforts of our opponents to take each little piece of the bill and indicate that there is a problem here or a problem there. Of course, that is the purpose of the debate. But we are ready, Senator MCCAIN and I, to negotiate to solve some of the real problems. But what we will not tolerate is the suggestion that we should do nothing. Our opposition has no alternative. They have no answer to the careening role of money in American politics. They just want to kill this bill and get back to the business of running elections.

Mr. President, there will be much more to say on this bill.

All I can say is that we will not allow this debate to become mired in the minutia of important issues that ultimately would be resolved by the U.S. Supreme Court. We will come back again and again to the central point that this is still a country of one person-one vote, not $1 million-1 million votes. And it is still a country where every high school student should at least be able to think or dream about participating in the process without having to become a multimillionaire first.

Mr. President, I yield the floor.

Mr. HATCH addressed the Chair.

The PRESIDING OFFICER. The Senator from Utah.

Mr. HATCH. Mr. President, I have listened to my colleague from Wisconsin chat about these problems. You know, in all honesty, I wonder sometimes if we do not treat the American public like they are idiots, when in fact the American public is a very smart collective group of people.

You know, I just do not see why in the world we have to have government interfere with the first amendment privileges of free speech, just to mention one constitutional issue involved here, just because some think there are millionaires in the Senate. There have always been millionaires in the Senate, as far as I know, at least in this century. But there have always been a number of Senators—and there is a great number of Senators here today—who are not millionaires who made it here the hard way, even under this present system, and who will always be able to make it because the American people are not idiots.

They are smart. They know what is going on. They have the ability to choose between competing candidacies. Every once in a while you know some of us worry about it because of some people who make it here, but, in all honesty, it seems to me that to put another layer of Federal regulations on what people can say and do in politics is not the way to do it, and it presumptively seems to believe that the American people do not have the capacity

collectively or individually to make right decisions for themselves with regard to politics.

The thing that I find heinous and offensive in the current political structure is that we have all kinds of advocacy groups out there, some of which support only one party to the exclusion of the other, who spend millions and millions of dollars that are never reported in this political process.

I will just cite with particularity one group. I remember when the AFL-CIO decided they were going to spend $35 million in advocacy during the last campaign. Now, we Republicans all understand that because virtually every penny of that goes for liberal Democrats. The only Republicans that they ever support —and there are very few of those; and if there is a moderate-to-liberal Democrat, they will support the Democrat every time over even a liberal Republican for the most part—very few of the liberal Republicans are supported by them, but if any are, they have to be very liberal.

So virtually every dollar of the union movement goes into liberal Democratic Party politics. But $35 million is a drop in the bucket because the Congressional Research Service mentions that in every 2-year election cycle the trade union movement puts between $100 and $500 million into the political process, not one penny of which is reported in any filing or disclosure form.

There is nothing in the Republican Party that comes close to that type of economic leverage, and yet I have to say McCain-Feingold does absolutely nothing about that. There is good reason for it, because you would be restricting the right of the trade union movement in this country to express their viewpoints with regard to their political beliefs. But you are not talking about distortion.

Mr. President, $100 to $500 million every 2 years in local, State, and Federal politics, not one penny of which is reported. The $35 million was reported because those were direct contributions to individuals, or actually most of it was not reported because most of it was soft money that was used to advocate for Democratic, liberal Democratic Party politics.

In fact, ask conservative Democrats how much union money they get as a general rule. Not very much. So you know, I sometimes think that we beat our gums in here over what appear to be on the surface important principles but which really in reality would undermine the very constitutional process that we have.

In that regard, let me just mention that I think one of the most prescient articles on this subject ever written was written by George Will in the Washington Post yesterday. I know it has been mentioned here on the floor before. But let me just read a little bit from that article.

I did not come here wanting to talk about campaign finance "reform," but I did want to say these few remarks. But I did read this today, and I brought it with me. He just says, "Here Come the Speech Police," which is the title of the article—"Here Come the Speech Police." George goes on to say:

Almost nothing that preoccupies Washington is as important as Washington thinks almost all its preoccupations are. But now Congress is considering some version of the McCain-Feingold bill, which raises "regime-level" questions. It would continue the change for the worse of American governance. And Washington's political class hopes the bill's real importance will be underestimated.

With a moralism disproportionate to the merits of their cause, members of that class—including the exhorting, collaborative media—are mounting an unprecedentedly sweeping attack on freedom of expression. Nothing in American history—not the left's recent campus "speech codes," not the right's depredations during 1950s McCarthyism or the 1920s "red scare," not the Alien and Sedition Acts of the 1790s—matches the menace to the First Amendment posed by campaign "reforms" advancing under the protective coloration of political hygiene.

I ask unanimous consent that the full article be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From the Washington Post, Sept. 28, 1997]

HERE COME THE SPEECH POLICE

(by George F. Will)

Almost nothing that preoccupies Washington is as important as Washington thinks almost all its preoccupations are. But now Congress is considering some version of the McCain-Feingold bill, which raises "regime-level" questions. It would continue the change for the worse of American governance. And Washington's political class hopes the bill's real importance will be underestimated.

With a moralism disproportionate to the merits of their cause, members of that class—including the exhorting, collaborative media—are mounting an unprecedented sweeping attack on freedom of expression. Nothing in American history—not the left's recent campus "speech codes," not the right's depredations during 1950s McCarthyism or the 1920s "red scare," not the Alien and Sedition Acts of the 1790s—matches the menace to the First Amendment posed by campaign "reforms" advancing under the protective coloration of political hygiene.

Such earlier fevers were evanescent, leaving no institutional embodiments when particular passions abated. And they targeted speech of particular political content. What today's campaign reformers desire is a steadily thickening clot of laws and an enforcing bureaucracy to control both the quantity and the content of all discourse pertinent to politics. By the logic of their aims, reformers cannot stop short of that. This is so, regardless of the supposed modesty of the measure Congress is debating.

Reformers first empowered government to regulate "hard" money—that given to particular candidates. But there remains the "problem" of "soft" money—that given to parties for general political organizing and advocacy. Reformers call this a "loophole." Reformers use that word to stigmatize any silence of the law that allows unregulated political expression. So now reformers want to ban "soft" money. But the political class will not stop there.

Its patience is sorely tried by the insufferable public, which persists in exercising its First Amendment right of association to organize in groups as different as the Sierra Club and the National Rifle Association. One reason people so organize is to collectively exercise their First Amendment right of free speech pertinent to politics. Therefore reformers want to arm the speech police with additional powers to ration the permissible amount of "express advocacy," meaning speech by independent groups that advocates the election or defeat of an identifiable candidate.

But the political class will not stop there. Consider mere issue advocacy—say, a television commercial endorsing abortion rights, mentioning no candidate and not mentioning voting, but broadcast in the context of a campaign in which two candidates differ about abortion rights. Such communications can influence the thinking of voters. Can't have that, other than on a short leash held by the government's speech police. So restriction of hard money begets restriction of soft, which begets restriction of express advocacy, which begets regulation of issue advocacy—effectively, of all civic discourse.

The political class is not sliding reluctantly down a slippery slope, it is eagerly skiing down it, extending its regulation of political speech in order to make its life less stressful and more secure. Thus is the First Amendment nibbled away, like an artichoke devoured leaf by leaf.

This is an example of what has been called "the Latin Americanization" of American law—the proliferation of increasingly rococo laws in attempts to enforce fundamentally flawed laws. Reformers produce such laws from the bleak, paternalistic premise that unfettered participation in politics by means of financial support of political speech is a "problem" that must be "solved."

One reason the media are complacent about such restrictions on (others') political speech is that restrictions enhance the power of the media as the filters of political speech, and as unregulated participants in a shrunken national conversation. Has the newspaper in which this column is appearing ever editorialized to the effect that restrictions on political money—restrictions on the ability to buy broadcast time and print space and other things the Supreme Court calls "the indispensable conditions for meaningful communication"—do not restrict speech? If this newspaper ever does, ask the editors if they would accept revising the First Amendment to read:

"Congress shall make no law abridging the freedom of the press, but Congress can restrict the amount a newspaper may spend on editorial writers, reporters and newsprint."

As Sen. Mitch McConnell, the Kentucky Republican, and others filibuster to block enlargement of the federal speech-rationing machinery, theirs is arguably the most important filibuster in American history. Its importance will be—attested by the obloquies they will receive from the herd of independent minds eager to empower the political class to extend controls over speech about itself.

Mr. HATCH. Let me just quote a couple of other paragraphs because I think this article really sums it up. I do not know how anybody could disagree with

this article. I am skipping over quite a bit of it which I think is worthy of consideration by anybody, but let me just read a couple more paragraphs:

The political class is not sliding reluctantly down a slippery slope, it is eagerly skiing down it, extending its regulation of political speech in order to make its life less stressful and more secure. Thus is the First Amendment nibbled away, like an artichoke devoured leaf by leaf.

This is an example of what has been called "the Latin Americanization" of American law—the proliferation of increasingly rococo laws in attempts to enforce fundamentally flawed laws. Reformers produce such laws from the bleak, paternalistic premise that unfettered participation in politics by means of financial support of political speech is a "problem" that must be "solved."

One reason the media are complacent about such restrictions on (others') political speech is that restrictions enhance the power of the media as the filters of political speech, and as unregulated participants in a shrunken national conversation.

What a comment, terrific comment. And it sums it up pretty well:

Has the newspaper in which this column is appearing ever editorialized to the effect that restrictions on political money—restrictions on the ability to buy broadcast time and print space and other things the Supreme Court calls "the indispensable conditions for meaningful communication"—do not restrict speech? If this newspaper ever does, ask the editors if they would accept revising the First Amendment to read:

"Congress shall make no law abridging the freedom of the press, but Congress can restrict the amount a newspaper may spend on editorial writers, reporters and newsprint."

As Sen. Mitch McConnell, the Kentucky Republican, and others filibuster to block enlargement of the federal speech-rationing machinery, theirs is arguably the most important filibuster in American history. Its importance will be attested by the obloquies they will receive from the herd of independent minds eager to empower the political class to extend controls over speech about itself.

What an article. He sums it up better than anybody I know. Frankly, I commend this article to anybody who cares about free speech rights, that this bill, as modified, would eviscerate.

I don't quite agree with George Will, that this may be the most important constitutional filibuster in history, but it is certainly one of the most important. I know of others that have been, I think, equal in importance, not the least of which is the debate we had on the resignation of the President a few years ago.

MORNING BUSINESS

Mr. HATCH. Mr. President, I ask unanimous consent there be a period of morning business with Senators permitted to speak for up to 10 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

THE VERY BAD DEBT BOXSCORE

Mr. HELMS. Mr. President, at the close of business Friday, September 26, 1997, the federal debt stood at $5,387,382,191,644.62. (Five trillion, three hundred eighty-seven billion, three hundred eighty-two million, one hundred ninety-one thousand, six hundred forty-four dollars and sixty-two cents)

One year ago, September 26, 1996, the federal debt stood at $5,198,325,000,000 (Five trillion, one hundred ninety-eight billion, three hundred twenty-five million)

Twenty-five years ago, September 26, 1972, the federal debt stood at $437,507,000,000 (Four hundred thirty-seven billion, five hundred seven million) which reflects a debt increase of nearly $5 trillion—$4,949,875,191,644.62 (Four trillion, nine hundred forty-nine billion, eight hundred seventy-five million, one hundred ninety-one thousand, six hundred forty-four dollars and sixty-two cents) during the past 25 years.

WHY A PRIVATE SCHOOL VOUCHER PLAN FOR D.C. SCHOOLS IS A BAD IDEA

Mr. CHAFEE. Mr. President, tomorrow morning the Senate will vote on the creation of the first federally funded private school voucher program in the Nation.

It is no accident that this new voucher program is being debated on the D.C. appropriations bill. None of us has a constituency in the District of Columbia. We can do anything to the District, and we are unaccountable to its voters for our actions. And in recent years, Congress has done quite a bit to the District of Columbia.

Two years ago, in recognition of poor city management and extreme budgetary problems, Congress created a financial control board to help get the city back on its fiscal feet. Not quite a year ago, the control board announced the formation of an emergency management team for the city's schools. The elected school board was relieved of its authority. The superintendent was urged to resign, and a new team was established, which is headed by retired Gen. Julius Becton.

General Becton signed on for a 3-year tour of duty in D.C. schools, yet before even a full year has passed, Congress is poised to pull the rug out from under him by creating a private school voucher plan.

Supporters of private school vouchers prefer to call them school choice. But parents don't choose the schools their children will attend. Private schools select the children they will accept. This is not a luxury our public schools enjoy. Public schools are committed to providing an education to all children: To children who come to school at any time of the year, to children with disabilities, to children whose primary language is not English, to children with disciplinary problems, and to children with low IQ's.

Private schools have the ability to select the smartest, the least difficult students with the fewest challenges to overcome. Supporters of the voucher plan point out that there are a number of inner-city, parochial schools that take whatever child comes to the door. There is no doubt that parochial schools have an important role to play and are doing a good job, but that does not mean that they should receive Federal funding. It does not mean that they have taken on all of the obligations of our public schools.

I believe that it is wrong to provide Federal dollars to private or parochial schools to enable them to skim the best students from the public schools. Vouchers also would skim the students whose parents are involved in their child's education, leaving the public schools with the greatest challenges.

Supporters of the voucher plan say District of Columbia should provide choices to parents. They say District of Columbia should have charter schools. They call for partnerships between city schools and the Smithsonian Institution. The truth is that District of Columbia has all of these things. The District has public school choice. There is a charter school program at a school not six blocks from the Capitol. Down the street there is a middle school which has entered into a partnership with the Smithsonian. D.C. public schools are the only public schools in the area that provide an all day kindergarten program, and every high school in the District is a magnet school.

A lot of attention has been paid to the fact that the schools didn't open on time this year, and Congress is not without responsibility for the delay. But very little mention has been made of the rigorous standards that have been put into place in every school, here. Starting this school year, teachers, parents, and students have a clear idea of what the children should know at each grade level. Last week, students all across the District were tested in reading, math, and language arts to see what level they are at. At the end of the school year, they will be tested again, to assess their progress. The performance of teachers and principal also will be based on these assessments. The pressure is on not to let a single child slip through the cracks, and I think that is an enormous step in the right direction.

Teachers and principals are turning up the heat on parents, as well. Parents of students in D.C. public schools are signing compacts, agreeing to be full participants in their child's education. They are visiting classrooms, to see first-hand what and how their children are learning. They are becoming responsible for making sure their children do their homework, and parents are being asked to check the work and sign it. They are being asked to read to their children regularly. I ask unanimous consent that an article from the

Washington Post, dated September 28, 1997, about back to school night at a local school be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. CHAFEE. Mr. President, these are improvements that will help all of the students in the District of Columbia schools, not just 3 percent of the students. Let's support what works for all of the children, not just a handful of them. That's the point of public education.

I plan to vote against the voucher plan and urge my colleagues to do the same. Let's send a clear message to General Becton and the teachers, parents, and students in D.C. schools: We support your efforts to make your local schools better for everyone.

EXHIBIT 1

[From the Washington Post, Sept. 28, 1997]

BACK TO WORK FOR SCHOOLS

(By Courtland Milloy)

"Good evening," W. Irene Woodard, the Watkins Elementary School principal, said melodically. The parents seated before her nodded politely.

"I said, 'Good evening,'" Woodard repeated, not so sweet as before. "When I say, 'Good evening,' I expect you to sing."

It was Back to School Night, and apparently I wasn't the only parent feeling somewhat demoralized by the delayed opening of D.C. public schools. No school for the first three weeks of September, and then, when it did start last week, some schools still had not received all of the necessary books and supplies.

"Don't look so dreary," said Channita Fraser, the Watkins PTA president. "When you come to meetings, smile." She began to sing in Spanish, "The more we get together, the happier we'll be."

People like Woodard and Fraser made it hard for me to just sit and stew in my juices. The way they saw it, there was no time for sulking or complaining. Our children needed help, and they needed it fast.

"Because of the delay in the opening of school, we're going to need parental cooperation like never before," said Ellen Costello, who heads PTA fund-raising for Watkins.

To make sure it gets the resources it needs, an abundance of candy and holiday wrapping paper must be sold. Parents with the means could make donations directly to their children's classrooms, she said.

"Last year, we raised $22,000," Costello told the parents. "The money was used to fix up the school library. But more is needed to purchase copy paper and make copy machine repairs. We're also trying to get water coolers for each classroom. Remember, we live in the District of Columbia, and we don't have much money."

That notion—that we live in the District, ergo, we don't have much money—was going to take me more than one Back to School Night to get used to. The tax bite out of my paycheck said otherwise. D.C. public schools get more than $500 million a year to educate about 78,000 students. You'd think we'd have all the amenities of an elite private school.

Instead, I was told, my third-grader would be expected to take on the equivalent of a part-time job as a candy bar salesman just so his school could get money to buy supplies. But there I go being negative again.

"We had 142 students who sold something last year," Costello reported. "That's only a 33 percent participation rate, and we need to raise it."

I was particularly impressed with my child's teacher, Kimberly Sakai. She's from Hawaii. This is her first year teaching in D.C. public schools, and she has brought to the job all of the enthusiasm you'd expect of a person who doesn't know any better.

"Our class will be starting a new social studies program that focuses on D.C.," Sakai told parents. "Strange how D.C. schools don't have a program that focuses exclusively on Washington. Hawaii is very big on learning about D.C. How can we bypass D.C.? We're going to get to know our community and our government and go on lots of field trips."

Then she asked us to fork over $3 each for a subscription to a weekly children's current events magazine.

More important than raising money, however, is getting parents to support their children's teachers. To that end, we all signed a "parent contract." Instead of giving parents money to escape the public school system, as a school voucher would, a parent contract pledges parents to work to improve the schools that their children already attend.

An exchange that occurred between a teacher and a parent at the meeting last week revealed the need for greater parental commitment.

Teacher: "Each child will have a homework folder with his or her assignments written down in it, and I expect you to check it and sign it before your child returns."

Parent, sounding distressed: "You aren't going to assign homework every night, are you?"

Teacher: "I'll try not to give them homework on Fridays."

Parent, with a sigh of relief: "Thank you."

That parent, judging from the way she was dressed, probably had just come from work. She might have had another full-time job as a housekeeper waiting for her when she got home. Understandably, more homework for her child meant more work for her.

And yet, I would have thought that all D.C. schoolteachers—just to make up for the three-week delay—would be piling on the homework. And I wouldn't expect them to let up on Fridays either, especially for third- and fifth-graders, whose progress is being measured against national standards for the first time this year.

I could only vow that my child would have homework every night, whether his teachers assigned it or not. Somehow, the expectations for our children must be raised.

"For all of the resources and services that we have, our children are not achieving at the level that they are capable of," Woodard told the parents. "We all must work harder on that. We especially need parents to enhance and extend what is going on in the classroom.

"Be sure that your children are reading a great deal of books, and be sure that they are understanding what they read."

Sounds like homework to me.

MESSAGES FROM THE HOUSE

At 4:24 p.m., a message from the House of Representatives, delivered by Ms. Goetz, one of its reading clerks, announced that pursuant to the provisions of section 154 of title 2, United States Code, as amended by section 1 of Public Law 102–246, the Chair announces the Speaker's appointment of the following member on the part of the House to the Library of Congress Trust Fund Board: Mr. Wayne Berman of the District of Columbia to fill the existing vacancy thereon.

At 6:28 p.m., a message from the House of Representatives, delivered by Mr. Hays, one of its reading clerks, announced that the House has passed the following joint resolution, in which it requests the concurrence of the Senate:

H.J. Res. 94. Joint resolution making continuing appropriations for the fiscal year 1998, and for other purposes.

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated:

EC–3043. A communication from the General Counsel of the Department of Transportation, transmitting, pursuant to law, eleven rules received on September 25, 1997; to the Committee on Commerce, Science, and Transportation.

EC–3044. A communication from the Perfomance Evaluation and Records Management, Federal Communication Commission, transmitting, pursuant to law, six rules received during the month of August, 1997; to the Committee on Commerce, Science, and Transportation.

EC–3045. A communication from the Perfomance Evaluation and Records Management, Federal Communication Commission, transmitting, pursuant to law, four rules received on September 8, 1997; to the Committee on Commerce, Science, and Transportation.

EC–3046. A communication from the Perfomance Evaluation and Records Management, Federal Communication Commission, transmitting, pursuant to law, two rules received on September 9, 1997; to the Committee on Commerce, Science, and Transportation.

EC–3047. A communication from the Perfomance Evaluation and Records Management, Federal Communication Commission, transmitting, pursuant to law, a rule received on September 12, 1997; to the Committee on Commerce, Science, and Transportation.

EC–3048. A communication from the Perfomance Evaluation and Records Management, Federal Communication Commission, transmitting, pursuant to law, a rule received on September 17, 1997; to the Committee on Commerce, Science, and Transportation.

EC–3049. A communication from the Perfomance Evaluation and Records Management, Federal Communication Commission, transmitting, pursuant to law, a rule received on September 19, 1997; to the Committee on Commerce, Science, and Transportation.

EC–3050. A communication from the Perfomance Evaluation and Records Management, Federal Communication Commission, transmitting, pursuant to law, a rule received on September 19, 1997; to the Committee on Commerce, Science, and Transportation.

EC–3051. A communication from the Perfomance Evaluation and Records Management, Federal Communication Commission, transmitting, pursuant to law, a rule

received on September 23, 1997; to the Committee on Commerce, Science, and Transportation.

EC–3052. A communication from the Assistant Administrator for Ocean Services and Coastal Zone Management, Department of Commerce, transmitting, pursuant to law, two rules; to the Committee on Commerce, Science, and Transportation.

EC–3053. A communication from the Assistant Administrator for Fisheries, National Marine Fisheries Services, Department of Commerce, transmitting, pursuant to law, two rules; to the Committee on Commerce, Science, and Transportation.

EC–3054. A communication from the Deputy Assistant Administrator for Fisheries, National Marine Fisheries Service, Department of Commerce, transmitting, pursuant to law, five rules; to the Committee on Commerce, Science, and Transportation.

EC–3055. A communication from the Acting Director of the Office of Sustainable Fisheries, National Marine Fisheries Services, Department of Commerce, transmitting, pursuant to law, a rule received on August 28, 1997; to the Committee on Commerce, Science, and Transportation.

EC–3056. A communication from the Assistant Secretary for Communications and Information, Department of Commerce, transmitting, pursuant to law, the report of the Public Telecommunications Facilities Program grants for fiscal year 1997; to the Committee on Commerce, Science, and Transportation.

EC–3057. A communication from the Acting Director of the Office of Sustainable Fisheries, National Marine Fisheries Service, Department of Commerce, transmitting, pursuant to law, three rules; to the Committee on Commerce, Science, and Transportation.

EC–3058. A communication from the Director of the Office of Sustainable Fisheries, National Marine Fisheries Service, Department of Commerce, transmitting, pursuant to law, eight rules; to the Committee on Commerce, Science, and Transportation.

EC–3059. A communication from the Chair of the Advisory Council on California (Indian Policy), transmitting, pursuant to law, the report entitled "The ACCIP Historical Overview Report: The Special Circumstances of California Indians"; to the Committee on Indian Affairs.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. BROWNBACK:

S. 1233. A bill to terminate the taxes imposed by the Internal Revenue Code of 1986 other than Social Security and railroad retirement-related taxes; to the Committee on Finance.

By Mr. HOLLINGS:

S. 1234. A bill to improve transportation safety, and for other purposes; to the Committee on Commerce, Science, and Transportation.

By Mr. WYDEN:

S. 1235. A bill to authorize the Secretary of Transportation to issue a certificate of documentation with appropriate endorsement for employment in the coastwise trade for the vessel registered as State of Oregon official number OR 766 YE; to the Committee on Commerce, Science, and Transportation.

By Mr. DORGAN:

S. 1236. A bill to amend title 23, United States Code, to provide for a national program concerning motor vehicle pursuits by law enforcement officers, and for other purposes; to the Committee on Commerce, Science, and Transportation.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. HOLLINGS:

S. 1234. A bill to improve transportation safety, and for other purposes; to the Committee on Commerce, Science, and Transportation.

THE HIGHWAY AND SURFACE TRANSPORTATION SAFETY ACT OF 1997

Mr. HOLLINGS. Mr. President, I rise to introduce the Highway and Surface Transportation Safety Act of 1997. This legislation is designed to reauthorize federal highway safety and surface transportation programs that are under the jurisdiction of the Commerce, Science, and Transportation Committee.

As the Members of this body know, the Commerce Committee has jurisdiction over Federal agencies that oversee highway safety and surface transportation policies. These agencies include the National Highway Traffic Safety Administration [NHTSA], which administers automobile safety regulations and Federal safety grant programs, such as anti-drunk-driving and seatbelt use grants; the Research and Special Projects Administration [RSPA], which assists States in responding to hazardous materials spills; the Federal Highway Administration [FHWA], which administers the truck safety programs; and the Federal Railroad Administration [FRA], which regulates rail safety. Each of these agencies, as well as the policies under their authority, is vital to ensuring that Americans are provided with the safest and most efficient transportation, including safe automobiles, highways, and public transportation systems.

In addition to preserving the security of our roadways, the measures administered by these agencies are critical to the health of our Nation's economy. The availability of the goods we consume and that are essential to our everyday lives depend on efficiently functioning transportation systems.

The participation of the Federal Government in assuring that our automobiles and roadways are safe has been affirmed overwhelmingly by the American public. A recent Lou Harris poll shows that 91 percent of Americans believe the Federal Government has a role in assuring safe highways and 94 percent believe it is important to have motor vehicle safety standards.

Our transportation and highway safety policies deserve as much attention as campaign finance reform, the popular measure of today. Yes, we must clean up the election system, but we also must clean up our roadways. NHTSA reports that every year over 41,000 Americans are killed on our Nation's highways—that is an average of 114 lives every day. In just the past 5 years alone, over 160,000 Americans have lost their lives, and more than 12 million have suffered serious injuries due to traffic accidents and road hazards—at a cost over $700 billion dollars.

Astoundingly, almost 25 percent of these traffic fatalities involve children. In 1995, over 9,000 kids were killed in auto accidents. Of course, no poll, and no economic gauge, can measure the value of losing a precious young life.

Studies, however, show that many of these accidents and fatalities are preventable. Most accidents are due to reckless behavior, such as drunk driving. According to NHTSA, alcohol-related accidents are responsible for over 40 percent of traffic fatalities. That means almost half of the tens of thousands of Americans that die every year because of traffic accidents can be saved if we can just prevent people from driving drunk. That is why I have supported measures in the past, and included provisions in this legislation, to encourage the enactment of stringent anti-drunk-driving laws.

In addition to deterring the reckless behavior of those that cause accidents, there are steps every vehicle occupant can take to enhance safety. All safety experts agree that the most simple, and most effective, way to protect ourselves from accidental injuries is to buckle up—wear a seatbelt. During the early 1980's an active campaign was initiated by NHTSA and public safety groups to encourage the use of seatbelts. The campaign had many positive results—helping to increase seatbelt use from 11 percent in 1980 to a current use rate of 68 percent. But 68 percent is still not sufficient. To continue to save lives, we must boost the use rate, at the very least, to the 90 percent range. This is why I joined Senator MCCAIN earlier this year in sending letters to all State Governors encouraging the enactment of tougher seatbelt laws nationwide.

LEGISLATION

The legislation I am introducing is designed to address these important safety issues. The following is a summary of many of the major provisions:

Drunk driving—The bill reauthorizes NHTSA's safety grant programs, which include incentive grants to States to encourage the adoption of stringent drunk driving laws.

Seatbelt Grant Program—The bill establishes for the first time ever a formal Federal seatbelt grant program to encourage states to adopt primary seatbelt laws. Primary seatbelt laws permit police to stop persons solely for not wearing a seatbelt. The new grant program has been included in lieu of the administration's proposal which attempted to force States to adopt primary seatbelt laws by reducing their highway construction funds.

Required warnings—Vans to transport children—A provision has been included to require NHTSA to notify car dealers each year about Federal regulations that prohibit the sale of vans to schools for the transportation of students. This policy has been adopted to prevent the transport of children in less safe vehicles.

Hazardous materials transportation reauthorization—The bill reauthorizes appropriations for assisting States in responding to hazardous materials spills.

Sanitary food transportation—The bill authorizes the transfer from the Department of Transportation to the Food and Drug Administration [FDA] the responsibility of ensuring that trucks and rail cars that transport the Nation's food supply are sanitary. This change is needed in order to take advantage of FDA's expertise in determining the cleanliness of these transports.

Rail and mass transportation anti-terrorism—The legislation increases the penalties for anyone convicted of a terrorist attack on railroads or mass transport systems and gives the Federal Bureau of Investigation [FBI] the lead role in investigating such incidents.

Rail and mass transportation safety—This legislation requires that DOT's Federal Transit Administration consult with the Federal Railroad Administration on relevant rail safety issues in making any grant or loan under its commuter railroad authority.

Boating safety—The bill extends funding for the Clean Vessel Act, and authorizes spending for State grants for recreational boating safety, vessel pump-outs, facilities for large recreational vessels, and sport fishing outreach and communications.

CONCLUSION

This legislation has been drafted from the framework of the administration's proposed highway safety bill. However, a number of changes have been made as a result of consultation with highway safety and consumer groups, such as the Advocates for Highway Safety and Public Citizens, as well as the National Association of Governors' Highway Safety Representatives, in an effort to craft the best safety bill possible. I look forward to working with Chairman MCCAIN and other committee members, in addition to the highway safety organizations, as we begin our work on the legislation.

I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1234

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Highway and Surface Transportation Safety Act of 1977".

SEC. 2. AMENDMENT OF TITLE 49, UNITED STATES CODE; TABLE OF SECTIONS.

(a) AMENDMENT OF TITLE 49, UNITED STATES CODE.—Except as otherwise expressly provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or a repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of title 49, United States Code.

(b) TABLE OF SECTIONS.—The table of sections for this Act is as follows:

Sec. 1. Short title.
Sec. 2. Amendment of title 49, United States Code; table of sections.
Sec. 3. Awards.

Title I—Highway Safety

Sec. 101. Highway safety programs.
Sec. 102. National driver register.
Sec. 103. Authorizations of appropriations.
Sec. 104. Global environmental and safety standards for vehicles.
Sec. 105. Amendments to chapter 323 (consumer information).
Sec. 106. Amendment to chapter 329 (automobile fuel economy).
Sec. 107. Amendments to chapter 331 (theft prevention).
Sec. 108. Dealer notification program for prohibited sale of nonqualifying vehicles for use as schoolbuses.

Title II—Hazardous Materials Transportation Reauthorization

Sec. 201. Short title.
Sec. 202. Findings and purposes; definitions.
Sec. 203. Handling criteria repeal.
Sec. 204. Hazmat employee training requirements.
Sec. 205. Registration.
Sec. 206. Highway transportation of hazardous materials.
Sec. 207. Shipping paper retention.
Sec. 208. Public sector training curriculum.
Sec. 209. Planning and training grants.
Sec. 210. Special permits and exclusions.
Sec. 211. Cooperative agreements.
Sec. 212. Enforcement.
Sec. 213. Penalties.
Sec. 214. Preemption.
Sec. 215. Judicial review.
Sec. 216. Hazardous material transportation reauthorization.
Sec. 217. Authorization of appropriations.

Title III—Sanitary Food Transportation

Sec. 301. Short title.
Sec. 302. Findings.
Sec. 303. Responsibilities of the Secretary of Health and Human Services.
Sec. 304. Department of Transportation requirements.
Sec. 305. Effective date.

Title IV—Rail and Mass Transportation Anti-terrorism

Sec. 401. Short title.
Sec. 402. Purpose.
Sec. 403. Amendments to the "wrecking trains" statute.
Sec. 404. Terrorist attacks against mass transportation.
Sec. 405. Investigative jurisdiction.

Title V—Rail and Mass Transportation Safety

Sec. 501. Safety considerations in grants or loans to commuter railroads.
Sec. 502. Railroad accident and incident reporting.
Sec. 503. Vehicle weight limitations—mass transportation buses.

Title VI—Motor Carrier Safety

Subtitle A—State Grants and Other Commercial Vehicle Programs

Sec. 601. Statement of purpose.
Sec. 602. Grants to States.
Sec. 603. Federal share.
Sec. 604. Availability of amounts.
Sec. 605. Information systems and strategic safety initiatives.
Sec. 606. Authorization of appropriations.
Sec. 607. Conforming amendments.

Subtitle B—Motor Carrier Safety Act of 1997

Sec. 651. Short title.
Sec. 652. Safety regulations.
Sec. 653. Commercial motor vehicle operators.
Sec. 654. Penalties.
Sec. 655. International registration plan and international fuel tax agreement.
Sec. 656. Study of adequacy of parking facilities.
Sec. 657. National minimum drinking age—technical corrections.

Title VII—Research

Subtitle A—Programs and Activities

Sec. 701. Transportation research and development.
Sec. 702. Bureau of Transportation Statistics.
Sec. 703. Research and technology program.
Sec. 704. National technology deployment initiatives.

Subtitle B—Intelligent Transportation Systems

Sec. 751. Short title and findings.
Sec. 752. Definitions; conforming amendment.
Sec. 753. Scope of program.
Sec. 754. General authorities and requirements.
Sec. 755. National ITS program plan, implementation, and report to Congress.
Sec. 756. Technical, training, planning, research and operational testing project assistance.
Sec. 757. Applications of technology.
Sec. 758. Funding.

Title VIII—Boating Safety

Sec. 801. Short title.
Sec. 802. Amendment of 1950 Act.
Sec. 803. Outreach and communications programs.
Sec. 804. Clean Vessel Act funding.
Sec. 805. Boating infrastructure.

SEC. 3. AWARDS.

(a) Section 326 is amended—

(1) by adding at the end thereof the following:

"(e) For the purpose of executing the powers and duties of the Department, and as a means to encourage safety improvements by making special or periodic awards, the Secretary may provide for the honorary recognition of individuals and organizations that significantly contribute to programs, missions, or operations, including state and local governments, transportation unions, and commercial and nonprofit organizations, and pay for plaques, medals, trophies, badges, and similar items to acknowledge the contribution, including reasonable expenses of ceremony and presentation, using any appropriations or other funds available to the Department and its agencies."; and

(2) by inserting "**and awards**" after "**Gifts**" in the section caption.

(b) The analysis of sections for chapter 3 is amended by striking the item relating to section 326 and inserting the following:

"Gifts and awards.".

TITLE I—HIGHWAY SAFETY

SEC. 101. HIGHWAY SAFETY PROGRAMS.

(a) UNIFORM GUIDELINES.—Section 402(a) of title 23, United States Code, is amended by

striking "section 4007" and inserting "section 4004".

(b) ADMINISTRATIVE REQUIREMENTS.—Section 402(b) of such title is amended—

(1) by striking the period at the end of subparagraph (A) and subparagraph (B) of paragraph (1) and inserting a semicolon;

(2) by inserting ", including Indian tribes," after "subdivisions of such State" in paragraph (1)(C);

(3) by striking the period at the end of paragraph (1)(C) and inserting a semicolon and "and"; and

(5) by striking paragraphs (3) and (4) redesignating paragraph (5) as paragraph (3).

(c) APPORTIONMENT OF FUNDS.—Section 402(c) of such title is amended by—

(1) by inserting "the apportionment to the Secretary of the Interior shall not be less than three fourths of 1 percent of the total apportionment and" after "except that" in the sixth sentence; and

(2) by striking the seventh sentence.

(d) APPLICATION IN INDIAN COUNTRY.—Section 402(i) of such title is amended to read as follows:

"(i) APPLICATION IN INDIAN COUNTRY.—

"(1) IN GENERAL.—For the purpose of application of this section in Indian country, the term 'State' and 'Governor of a State' include the Secretary of the Interior and the term 'political subdivision of a State' includes an Indian tribe. Notwithstanding the provisions of subparagraph (b)(1)(C) of this section, 95 percent of the funds apportioned to the Secretary of the Interior under this section shall be expended by Indian tribes to carry out highway safety programs within their jurisdictions. The provisions of subparagraph (b)(1)(D) of this section shall be applicable to Indian tribes, except to those tribes with respect to which the Secretary determines that application of such provisions would not be practicable.

"(2) INDIAN COUNTRY DEFINED.—For the purposes of this subsection, the term 'Indian country' means—

"(A) all land within the limits of any Indian reservation under the jurisdiction of the United States, notwithstanding the issuance of any patent, and including rights-of-way running through the reservation;

"(B) all dependent Indian communities within the borders of the United States whether within the original or subsequently acquired territory thereof and whether within or without the limits of a State; and

"(C) all Indian allotments, the Indian titles to which have not been extinguished, including rights-of-way running through such allotments.".

"(e) RULEMAKING PROCESS.—Section 402(j) of such title is amended to read as follows:

"(j) RULEMAKING PROCESS.—The Secretary may from time to time conduct a rulemaking process to identify highway safety programs that are highly effective in reducing motor vehicle crashes, injuries and deaths. Any such rulemaking shall take into account the major role of the States in implementing such programs. When a rule promulgated in accordance with this section takes effect, States shall consider these highly effective programs when developing their highway safety programs.".

(f) SAFETY INCENTIVE GRANTS.—Section 402 of such title is amended by striking subsection (k) and inserting the following:

"(k)(1) SAFETY INCENTIVE GRANTS: GENERAL AUTHORITY.—The Secretary shall make a grant to a State that takes specific actions to advance highway safety under subsection (l), (m), (n), or (o) of this section. A State may qualify for more than one grant and shall receive a separate grant for each subsection for which it qualifies. Such grants may only be used by recipient States to implement and enforce, as appropriate, the programs for which the grants are awarded.

"(2) MAINTENANCE OF EFFORT.—No grant may be made to a State under subsection (l) or (m) of this section in any fiscal year unless such State enters into such agreements with the Secretary as the Secretary may require to ensure that such State will maintain its aggregate expenditures from all other sources for the specific actions for which a grant is provided at or above the average level of such expenditures in its fiscal years preceding the date of the enactment of this subsection.

"(3) MAXIMUM PERIOD OF ELIGIBILITY; FEDERAL SHARE FOR GRANTS.—Each grant under subsection (l) or (m) of this section shall be available for not more than 6 fiscal years beginning in the fiscal year after September 30, 1997, in which the State becomes eligible for the grant. The Federal share payable for any grant under subsection (l) or (m) shall not exceed—

"(A) in the first and second fiscal years in which the State receives the grant, 75 percent of the cost of implementing and enforcing, as appropriate, in such fiscal year a program adopted by the State;

"(B) in the third and fourth fiscal years in which the State receives the grant, 50 percent of the cost of implementing and enforcing, as appropriate, in such fiscal year such program; and

"(C) in the fifth and sixth fiscal years in which the State receives the grant, 25 percent of the cost of implementing and enforcing, as appropriate, in such fiscal year such program.

"(l) ALCOHOL-IMPAIRED DRIVING COUNTERMEASURERS: BASIC GRANT ELIGIBILITY.—The Secretary shall make grants to those States that adopt and implement effective programs to reduce traffic safety problems resulting from persons driving under the influence of alcohol. A State shall become eligible for one or more of three basic grants under this subsection by adopting or demonstrating the following to the satisfaction of the Secretary:

"(1) BASIC GRANT A.—At least 4 of the following:

"(A) ADMINISTRATIVE LICENSE REVOCATION.—An administrative driver's license suspension or revocation system for persons who operate motor vehicles while under the influence of alcohol which requires that—

"(i) in the case of a person who, in any 5-year period beginning after the date of enactment of this subsection, is determined on the basis of a chemical test to have been operating a motor vehicle under the influence of alcohol or is determined to have refused to submit to a test as proposed by a law enforcement officer, the State agency responsible for administering drivers' licenses, upon receiving the report of the law enforcement officer—

"(I) shall suspend the driver's license of such person for a period of not less than 90 days if such person is a first offender in such 5-year period; and

"(II) shall suspend the driver's license of such person for a period of not less than 1 year, or revoke such license, if such person is a repeat offender in such 5-year period; and

"(ii) the suspension and revocation referred to under clause (A)(i) of this subparagraph shall take effect not later than 30 days after the day on which the person refused to submit to a chemical test or received notice of having been determined to be driving under the influence of alcohol, in accordance with the State's procedures.

"(B) UNDERAGE DRINKING PROGRAM.—An effective system, as determined by the Secretary, for preventing operators of motor vehicles under age 21 from obtaining alcoholic beverages. Such system shall include the issuance of drivers' licenses to individuals under age 21 that are easily distinguishable in appearance from drivers' licenses issued to individuals age 21 years of age or older.

"(C) STOPPING MOTOR VEHICLES.—Either—

"(i) A statewide program for stopping motor vehicles on a nondiscriminatory, lawful basis for the purpose of determining whether the operators of such motor vehicles are driving while under the influence of alcohol, or

"(ii) a statewide Special Traffic Enforcement Program for impaired driving that emphasizes publicity for the program.

"(D) REPEAT OFFENDERS.—Effective sanctions for repeat offenders convicted of driving under the influence of alcohol. Such sanctions, as determined by the Secretary, may include electronic monitoring; alcohol interlocks; intensive supervision of probation; vehicle impoundment confiscation, or forfeiture; and dedication detention facilities.

"(E) GRADUATED LICENSING SYSTEM.—A three-stage graduated licensing system for young drivers that includes nighttime driving restrictions during the first 2 stages, requires all vehicle occupants to be properly restrained, and makes it unlawful for a person under age 21 to operate a motor vehicle with a blood alcohol concentration of .02 percent or greater.

"(2) BASIC GRANT B.—Both of the following:

"(A) ADMINISTRATIVE LICENSE REVOCATION.—An administrative driver's license suspension or revocation system for persons who operate motor vehicles while under the influence of alcohol which requires that—

"(i) in the case of a person who, in any 5-year period beginning after the date of enactment of this subsection, is determined on the basis of a chemical test to have been operating a motor vehicle under the influence of alcohol or is determined to have refused to submit to such a test as requested by a law enforcement officer, the State agency responsible for administering drivers' licenses, upon receiving the report of the law enforcement officer—

"(I) shall suspend the drivers' license of such person for a period of not less than 90 days if such person is a first offender in such 5-year period; and

"(II) shall suspend the driver's license of such person for a period of not less than 1 year, or revoke such license, if such person is a repeat offender in such 5-year period; and

"(ii) the suspension and revocation referred to under clause (A)(i) of this subparagraph shall take effect not later than 30 days after the day on which the person refused to submit to a chemical test or receives notice of having been determined to be driving under the influence of alcohol, in accordance with the State's procedures; and

"(B) .08 BAC PER SE LAW.—A law that provides that any person with a blood alcohol concentration of 0.08 percent or greater while operating a motor vehicle shall be deemed to be driving while intoxicated.

"(3) BASIC GRANT C.—Both of the following:

"(A) FATAL IMPAIRED DRIVER PERCENTAGE REDUCTION.—The percentage of fatally injured drivers with 0.10 percent or greater blood alcohol concentration in the State has decreased in each of the 3 most recent calendar years for which statistics for determining such percentages are available; and

"(B) FATAL IMPAIRED DRIVER PERCENTAGE COMPARISON.—The percentage of fatally injured drivers with 0.10 percent or greater blood alcohol concentration in the State has been lower than the average percentage for all States in each of such calendar years.

"(4) BASIC GRANT AMOUNT.—The amount of each basic grant under this subsection for any fiscal year shall be up to 15 percent of the amount apportioned to the State for fiscal year 1997 under section 402 of this title.

"(5) ALCOHOL-IMPAIRED DRIVING COUNTERMEASURES: SUPPLEMENTAL GRANTS.—During the period in which a State is eligible for a basic grant under this subsection, the State shall be eligible to receive a supplemental grant in no more than 2 fiscal years of up to 5 percent of the amount apportioned to the State in fiscal year 1997 under section 402 of this title. The State may receive a separate supplemental grant for meeting each of the following criteria:

"(A) OPEN CONTAINER LAWS.—The State makes unlawful the possession of any open alcoholic beverage container, or the consumption of any alcoholic beverage, in the passenger area of any motor vehicle located on a public highway or the right-of-way of a public highway, except—

"(i) as allowed in the passenger area, by a person (other than the driver), of any motor vehicle designed to transport more than 10 passengers (including the driver) while being used to provide charter transportation of passengers; or

"(ii) as otherwise specifically allowed by such State, with the approval of the Secretary, but in no event may the driver of such motor vehicle be allowed to possess or consume an alcoholic beverage in the passenger area.

"(B) MANDATORY BLOOD ALCOHOL CONCENTRATION TESTING PROGRAMS.—The State provides for mandatory blood alcohol concentration testing whenever a law enforcement officer has probable cause under State law to believe that a driver of a motor vehicle involved in a crash resulting in the loss of human life or, as determined by the Secretary, serious bodily injury, has committed an alcohol-related traffic offense.

"(C) VIDEO EQUIPMENT FOR DETECTION OF DRUNK DRIVERS.—The State provides for a program to acquire video equipment to be used in detecting persons who operate motor vehicles while under the influence of alcohol and in prosecuting those persons, and to train personnel in the use of that equipment.

"(D) BLOOD ALCOHOL CONCENTRATION FOR PERSONS UNDER AGE 21.—The State enacts and enforces a law providing that any person under age 21 with a blood alcohol concentration of 0.02 percent or greater when driving a motor vehicle shall be deemed to be driving while intoxicated or driving under the influence of alcohol, and further provides for a minimum suspension of the person's driver's license for not less than 30 days.

"(E) SELF-SUSTAINING DRUNK DRIVING PREVENTION PROGRAM.—The State provides for a self-sustaining drunk driving prevention program under which a significant portion of the fines or surcharges collected from individuals apprehended and fined for operating a motor vehicle while under the influence of alcohol are returned to those communities which have comprehensive programs for the prevention of such operations of motor vehicles.

"(F) REDUCING DRIVING WITH A SUSPENDED LICENSE.—The State enacts and enforces a law to reduce driving with a suspended license. Such law, as determined by the Secretary, may require a "zebra" stripe that is clearly visible on the license plate of any motor vehicle owned and operated by a driver with a suspended license.

"(G) EFFECTIVE DWI TRACKING SYSTEM.—The State demonstrates an effective driving while intoxicated (DWI) tracking system. Such a system, as determined by the Secretary, may include data covering arrests, case prosecutions, court dispositions and sanctions, and provide for the linkage of such data and traffic records systems to appropriate jurisdictions and offices within the State.

"(H) ASESSMENT OF PERSONS CONVICTED OF ABUSE OF CONTROLLED SUBSTANCES; ASSIGNMENT OF TREATMENT FOR ALL DWI/DUI OFFENDERS.—The State provides for assessment of individuals convicted of driving while intoxicated or driving under the influence of alcohol or controlled substances, and for the assignment of appropriate treatment.

"(I) USE OF PASSIVE ALCOHOL SENSORS.—The State provides for a program to acquire passive alcohol sensors to be used by police officers in detecting persons who operate motor vehicles while under the influence of alcohol, and to train police officers in the use of that equipment.

"(J) EFFECTIVE PENALTIES FOR PROVISION OR SALE OF ALCOHOL TO PERSONS UNDER 21.—The State enacts and enforces a law that provides for effective penalties or other consequences for the sale or provision of alcoholic beverages to any individual under 21 years of age. The Secretary shall determine what penalties are effective.

"(6) DEFINITIONS.—For the purposes of this subsection, the following definitions apply:

"(A) 'Alcoholic beverage' has the meaning such term has under section 158(c) of this title.

"(B) 'Controlled substances' has the meaning such term has under section 102(6) of the Controlled Substances Act (21 U.S.C. 802(6)).

"(C) 'Motor vehicle' means a vehicle driven or drawn by mechanical power and manufactured primarily for use on public streets, roads, and highways, but does not include a vehicle operated only on a rail line.

"(D) 'Open alcoholic beverage container' means any bottle, can, or other receptacle—

"(i) which contains any amount of an alcoholic beverage; and

"(ii)(I) which is open or has a broken seal, or

"(II) the contents of which are partially removed.

"(m) STATE HIGHWAY SAFETY DATA IMPROVEMENTS.—The Secretary shall make a grant to a State that takes effective actions to improve the timeliness, accuracy, completeness, uniformity, and accessibility of the State's data needed to identify priorities within State and local highway and traffic safety programs, to evaluate the effectiveness of such efforts, and to link these State data systems, including traffic records, together and with other data systems within the State, such as systems that contain medical and economic data:

"(1) FIRST-YEAR GRANT ELIGIBILITY.—A State is eligible for a first-year grant under this subsection in a fiscal year if such State either:

"(A) Demonstrates, to the satisfaction of the Secretary, that it has—

"(i) established a Highway Safety Data and Traffic Records Coordinating Committee with a multi-disciplinary membership including the administrators, collectors, and users of such data (including the public health, injury control, and motor carrier communities) of highway safety and traffic records databases;

"(ii) completed within the preceding 5 years a highway safety data and traffic records assessment or audit of its highway safety data and traffic records system; and

"(iii) initiated the development of a multi-year highway safety data and traffic records strategic plan to be approved by the Highway Safety Data and Traffic Records Coordinating Committee that identifies and prioritizes its highway safety data and traffic records needs and goals, and that identifies performance-based measures by which progress toward those goals will be determined; or

"(B) Provides, to the satisfaction of the Secretary—

"(i) certification that it has met the provisions outlined in clauses (A)(i) and (A)(ii) of subparagraph (A) of this paragraph;

"(ii) a multi-year plan that identifies and prioritizes the State's highway safety data and traffic records needs and goals, that specifies how its incentive funds for the fiscal year will be used to address those needs and the goals of the plan, and that identifies performance-based measures by which progress toward those goals will be determined; and

"(iii) certification that the Highway Safety Data and Traffic Records Coordinating Committee continues to operate and supports the multi-year plan described in clause (B)(ii) of this subparagraph.

"(2) FIRST-YEAR GRANT AMOUNT.—The amount of a first-year grant made for State highway safety data and traffic records improvements for any fiscal year to any State eligible for such a grant under subparagraph (1)(A) of paragraph (A) of this subsection shall equal $1,000,000, subject to the availability of appropriations, and for any State eligible for such a grant under subparagraph (1)(B) of this subsection shall equal a proportional amount of the amount apportioned to the State for fiscal year 1997 under section 402 of this title, except that no State shall receive less than $250,000, subject to the availability of appropriations. The Secretary may award a grant of up to $25,000 for one year to any State that does not meet the criteria established in paragraph (1). The grant may only be used to conduct activities needed to enable that State to qualify for first-year funding to begin in the next fiscal year.

"(3) STATE HIGHWAY SAFETY DATA AND TRAFFIC RECORDS IMPROVEMENTS; SUCCEEDING-YEAR GRANTS.—A State shall be eligible for a grant in any fiscal year succeeding the first fiscal year in which the State receives a State highway safety data and traffic records grant if the State, to the satisfaction of the Secretary:

"(A) Submits or updates a multi-year plan that identifies and prioritizes the State's highway safety data and traffic records needs and goals, that specifies how its incentive funds for the fiscal year will be used to address those needs and the goals of the plan, and that identifies performance-based measures by which progress toward those goals will be determined;

"(B) Certifies that its Highway Safety Data and Traffic Records Coordinating Committee continues to support the multi-year plan; and

"(C) Reports annually on its progress in implementing the multi-year plan.

"(4) SUCCEEDING-YEAR GRANT AMOUNTS.—The amount of a succeeding-year grant made for State highway safety data and traffic records improvements for any fiscal year to any State that is eligible for such a grant shall equal a proportional amount of the amount apportioned to the State for fiscal

year 1997 under section 402 of this title, except that no State shall receive less than $225,000, subject to the availability of appropriations.".

(g) OCCUPANT PROTECTION PROGRAM.—

(1) IN GENERAL.—Section 410 of title 23, United States Code, is amended to read as follows:

"§ 410. Safety belts and occupant protection program

"The Secretary shall make basic grants to those States that adopt and implement effective programs to reduce highway deaths and injuries resulting from persons riding unrestrained or improperly restrained in motor vehicles. A State may establish its eligibility for one or both of the grants by adopting or demonstrating the following to the satisfaction of the Secretary:

"(1) BASIC GRANT A.—At least 4 of the following:

"(A) SAFETY BELT USE LAW FOR ALL FRONT SEAT OCCUPANTS.—The State has in effect a safety belt use law that makes unlawful throughout the State the operation of a passenger motor vehicle whenever a person in the front seat of the vehicle (other than a child who is secured in a child restraint system) does not have a safety belt properly secured about the person's body.

"(B) PRIMARY SAFETY BELT USE LAW.—The State provides for primary enforcement of its safety belt use law.

"(C) CHILD PASSENGER PROTECTION LAW.—The State has in effect a law that requires minors who are riding in a passenger motor vehicle to be properly secured in a child safety seat or other appropriate restraint system.

"(D) CHILD OCCUPANT PROTECTION EDUCATION PROGRAM.—The State demonstrates implementation of a statewide comprehensive child occupant protection education program that includes education about proper seating positions for children in air bag equipped motor vehicles and instruction on how to reduce the improper use of child restraints systems. The states are to submit to the Secretary an evaluation or report on the effectiveness of the programs at least three years after receipt of the grant.

"(E) MINIMUM FINES.—The State requires a minimum fine of at least $25 for violations of its safety belt use law and a minimum fine of at least $25 for violations of its child passenger protection law.

"(F) SPECIAL TRAFFIC ENFORCEMENT PROGRAM.—The State demonstrates implementation of a statewide Special Traffic Enforcement Program for occupant protection that emphasizes publicity for the program.

"(2) BASIC GRANT B.—Both of the following:

"(A) STATE SAFETY BELT USE RATE.—The State demonstrates a statewide safety belt use rate in both front outboard seating positions in all passenger motor vehicles of 80 percent or higher in each of the first 3 years a grant under this paragraph is received, and of 85 percent or higher in each of the fourth, fifth, and sixth years a grant under this paragraph is received.

"(B) SURVEY METHOD.—The State follows safety belt use survey methods which conform to guidelines issued by the Secretary ensuring that such measurements are accurate and representative.

"(3) BASIC GRANT AMOUNT.—The amount of each basic grant for which a State qualifies under this subsection for any fiscal year shall equal up to 20 percent of the amount apportioned to the State for fiscal year 1997 under section 402 of this title.

"(4) OCCUPANT PROTECTION PROGRAM: SUPPLEMENTAL GRANTS.—During the period in which a State is eligible for a basic grant under this subsection, the State shall be eligible to receive a supplemental grant in a fiscal year of up to 5 percent of the amount apportioned to the State in fiscal year 1997 under section 402 of this title. The State may receive a separate supplemental grant for meeting each of the following criteria:

"(A) PENALTY POINTS AGAINST A DRIVER'S LICENSE FOR VIOLATIONS OF CHILD PASSENGER PROTECTION REQUIREMENTS.—The State has in effect a law that requires the imposition of penalty points against a driver's license for violations of child passenger protection requirements.

"(B) ELIMINATION OF NON-MEDICAL EXEMPTIONS TO SAFETY BELT AND CHILD PASSENGER PROTECTION LAWS.—The State has in effect safety belt and child passenger protection laws that contain no nonmedical exemptions.

"(C) SAFETY BELT USE IN REAR SEATS.—The State has in effect a law that requires safety belt use by all rear-seat passengers in all passenger motor vehicles with a rear seat.

"(5) DEFINITIONS.—As used in this subsection—

"(A) 'Child safety seat' means any device except safety belts, designed for use in a motor vehicle to restrain, seat, or position children who weighs 50 pounds or less.

"(B) 'Motor vehicle' means a vehicle driven or drawn by mechanical power and manufactured primarily for use on public streets, roads, and highways, but does not include a vehicle operated only on a rail line.

"(C) 'Multipurpose passenger vehicle' means a motor vehicle with motive power (except a trailer), designed to carry not more than 10 individuals, that is constructed either on a truck chassis or with special features for occasional off-road operation.

"(D) 'Passenger car' means a motor vehicle with motive power (except a multipurpose passenger vehicle, motorcycle, or trailer) designed to carry not more than 10 individuals.

"(E) 'Passenger motor vehicle' means a passenger car or a multipurpose passenger motor vehicle.

"(F) 'Safety belt' means—

"(i) with respect to open-body passenger vehicles, including convertibles, an occupant restraint system consisting of a lap belt or a lap belt and a detachable shoulder belt; and

"(ii) with respect to other passenger vehicles, an occupant restraint system consisting of integrated lap and shoulder belts.".

(2) CONFORMING AMENDMENT.—The chapter analysis for chapter 4 of that chapter is amended by striking the item relating to section 410 and inserting the following:

"410. Safety belts and occupant protection program".

(h) DRUGGED DRIVER RESEARCH AND DEMONSTRATION PROGRAM.—Section 403(b) of title 23, United State Code, is amended—

(1) by inserting "(1)" before "In addition";

(2) by striking "is authorized to" and inserting "shall";

(3) by redesignating paragraphs (1) and (2) as subparagraphs (A) and (B); and

(4) by inserting after subparagraph (B), as redesignated, the following:

"(C) Measures that may deter drugged driving.".

SEC. 102. NATIONAL DRIVER REGISTER.

(a) TRANSFER OF SELECTED FUNCTIONS TO NON-FEDERAL MANAGEMENT.—Section 30302 is amended by adding at the end thereof the following:

"(e) TRANSFER OF SELECTED FUNCTIONS TO NON-FEDERAL MANAGEMENT.—(1) The Secretary may enter into an agreement with an organization that represents the interests of the States to manage, administer, and operate the National Driver Register's computer timeshare and user assistance functions. If the Secretary decides to enter into such an agreement, the Secretary shall ensure that the management of these functions is compatible with this chapter and the regulations issued to implement this chapter.

"(2) Any transfer of the National Driver Register's computer timeshare and user assistance functions to an organization that represents the interests of the States shall begin only after a determination is made by the Secretary that all States are participating in the National Driver Register's 'Problem Driver Pointer System' (the system used by the Register to effect the exchange of motor vehicle driving records), and that the system is functioning properly.

"(3) The agreement entered into under this subsection shall include a provision for a transition period sufficient to allow the States to make the budgetary and legislative changes they may need to pay fees charged by the organization representing their interests for their use of the National Driver Register's computer timeshare and user assistance functions. During this transition period, the Secretary (through the National Highway Traffic Safety Administration) shall continue to fund these transferred functions.

"(4) The total of the fees charged by the organization representing the interests of the States in any fiscal year for the use of the National Driver Register's computer timeshare and user assistance functions shall not exceed the total cost to the organization for performing these functions in such fiscal year.

"(5) Nothing in this subsection shall be construed to diminish, limit, or otherwise affect the authority of the Secretary to carry out this chapter.".

(b) ACCESS TO REGISTER INFORMATION.—Section 30305(b) is amended by—

(1) by striking "request." in paragraph (2) and inserting the following: "request, unless the information is about a revocation or suspension still in effect on the date of the request";

(2) by inserting after paragraph (6) the following:

"(7) The head of a Federal department or agency that issues motor vehicle operator's licenses may request the chief driver licensing official of a State to obtain information under subsection (a) of this section about an individual applicant for a motor vehicle operator's license from such department or agency. The department or agency may receive the information, provided it transmits to the Secretary a report regarding any individual who is denied a motor vehicle operator's license by that department or agency for cause; whose motor vehicle operator's license is revoked, suspended or canceled by that department or agency for cause; or about whom the department or agency has been notified of a conviction of any of the motor vehicle-related offenses or comparable offenses listed in subsection 30304(a)(3) and over whom the department or agency has licensing authority. The report shall contain the information specified in subsection 30304(b).

"(8) The head of a Federal department or agency authorized to receive information regarding an individual from the Register under this section may request and receive such information from the Secretary.";

(3) by redesignating paragraphs (7) and (8) as paragraphs (9) and (10); and

(4) by striking "paragraph (2)" in paragraph (10), as redesignated, and inserting "subsection (a) of this section".

SEC. 103. AUTHORIZATIONS OF APPROPRIATIONS.

(a) HIGHWAY SAFETY PROGRAMS.—The following sums are authorized to be appropriated out of the Highway Trust Fund (other than the Mass Transit Account):

(1) CONSOLIDATED STATE HIGHWAY SAFETY PROGRAMS.—

(A) For carrying out the State and Community Highway Safety Program under section 402 of title 23, United States Code, by the National Highway Traffic Safety Administration, except for the incentive programs under subsections (l) and (m) of that section, $142,700,000 for fiscal year 1998, and $166,700 for each of fiscal years 1999, 2000, 2001, and 2002, and $171,034,000 for fiscal year 2003.

(B) To carry out the alcohol-impaired driving countermeasures incentive grant provisions of subsection (l) of section 402 of title 23, United States Code, by the National Highway Traffic Safety Administration, $35,000,000 for fiscal year 1998, $39,000,000 for each of fiscal years 1999, 2000, and 2001, $46,000,000 for fiscal year 2002, and $49,000,000 for fiscal year 2003. Amounts made available to carry out subsection (l) are authorized to remain available until expended, provided that, in each fiscal year the Secretary may reallocate any amounts remaining available under subsections (l) and (m) of section 402 of title 23, United States Code, as necessary to ensure, to the maximum extent possible, that States may receive the maximum incentive funding for which they are eligible under these programs.

(C) To carry out the occupant protection program incentive grant provisions of section 410 of title 23, United States Code, by the National Highway Traffic Safety Administration, $20,000,000 for fiscal year 1998, $22,000,000 for each of fiscal years 1999, 2000, and 2001, $24,000,000 for fiscal year 2002, and $23,312,000 for fiscal year 2003. Amounts made available to carry out subsection (m) are authorized to remain available until expended, provided that, in each fiscal year the Secretary may reallocate any amounts remaining available under subsections (l) and (m) to subsections (l), (n), and (o) of section 402 of title 23, United States Code, as necessary to ensure, to the maximum extent possible, that States may receive the maximum incentive funding for which they are eligible under these programs.

(D) To carry our the State highway safety data improvements incentive grant provisions of subsection (n) of title 23, United States Code, by the National Highway Traffic Safety Administration, $12,000,000 for each of fiscal years 1998, 1999, 2000, and 2001. Amounts made available to carry out subsection (n) are authorized to remain available until expended.

(2) NHTSA OPERATIONS AND RESEARCH.—For carrying out the functions of the Secretary, by the National Highway Traffic Safety Administration, for traffic and highway safety under (A) section 403 of title 23, United States Code (Highway Safety Research and Development), (B) Chapter 301 of Title 49, United States Code (Motor Vehicle Safety), and (C) Part C of Subtitle VI of Title 49, United States Code (Information, Standards, and Requirements), there are authorized to be appropriated $147,500,000, for each of fiscal years 1998, 1999, 2000, 2001, and 2002, and $15,335,000 for fiscal year 2003.

(E) To carry out the drugged driving research and demonstration programs of section 403(b)(1) of title 23, United States Code, by the National Highway Traffic Safety Administration, $2,500,000 for each of fiscal years 1999, 2000, 2001, and 2002, and $1,000,000 for fiscal year 2003.

(3) NATIONAL DRIVER REGISTER.—For carrying out chapter 303 (National Driver Register) of title 49, United States Code, by the National Highway Traffic Safety Administration, there are authorized to be appropriated under section 30308(a) of such chapter $2,300,000 for each of fiscal years 1998, 1999, 2000, 2001, and 2002, and $2,360,000 for fiscal year 2003.

SEC. 104. GLOBAL ENVIRONMENTAL AND SAFETY STANDARDS FOR VEHICLES.

(a) DEVELOPMENT OF A GLOBAL REGISTER.—The Secretary of Transportation (hereinafter in this section referred to as the "Secretary") and the Administrator of the Environmental Protection Agency (hereinafter in this section referred to as the "Administrator") may participate in the development of an international compendium of national motor vehicle standards, including both safety and environmental standards.

(b) PROMOTION OF INTERNATIONAL COOPERATIVE PROGRAMS.—The Secretary or Administrator may participate in activities to promote international cooperative programs for conducting research, development, demonstration projects, training, and other forms of technology transfer and exchange, including safety conferences, seminars, and expositions, to enhance international motor vehicle safety, and provide technical assistance to other countries relating to their adoption of United States Federal standards for vehicles. This effort shall not reduce or diminish the Secretary's or Administrator's obligation to conduct research on issues of vehicle safety, environmental protection, and testing relevant to the operation of vehicles in the United States.

(c) INTERNATIONAL HARMONIZATION OF SAFETY AND ENVIRONMENTAL REGULATION OF VEHICLES.—

(1) IN GENERAL.—The Secretary and the Administrator may participate in international negotiations (including working parties, other international bodies, and panels of experts) and may agree to harmonized rules for vehicular safety and environmental pollution if the United States position to be taken in such an international negotiation is developed in accordance with paragraphs (2), (3), and (4).

(2) ADOPTION OF HIGHER GLOBAL STANDARDS.—The Secretary or Administrator may adopt the global standard if the Secretary or Administrator determines that—

(A) in light of the Secretary's or Administrator's determination under both subparagraphs (B) and (C), the harmonized standard provides an overall higher level of safety performance or environmental protection than the comparable United States standard;

(B) the harmonized standard or any portion of the standard provides a unique or higher level of safety or environmental performance than the comparable United States standard;

(C) the comparable United States standard or any portion thereof does not provide a unique or higher level of safety or environmental performance not contained in the harmonized standard;

(D) it is adopted through a rulemaking procedure conducted in accordance with the provisions of chapters 5 and 7 of title 5, United States Code, relating to rulemaking; and

(E) the requirements of subsections (d) and (e) are met.

(3) ACTUAL BENEFITS TO BE WEIGHTED.—In making the determinations under paragraph (2), the Secretary or the Administrator shall take into account the overall safety and environmental benefits that will accrue to users under real-world driving conditions from adoption of a harmonized standard.

(4) RETENTION OF HIGHER DOMESTIC STANDARDS.—Any standard adopted by the Secretary or the Administrator under paragraph (2) shall retain those portions of the comparable United States standard determined by the Secretary or the Administrator, under paragraph (2)(C), to provide unique practices or levels of safety performance or environmental protection not contained in the global standard.

(d) GENERAL REQUIREMENTS.—

(1) PUBLIC DISCLOSURE OF ALL MATTER.—Notwithstanding any provision of law, any documentation, proposal, negotiating document, internal discussion memorandum, meeting notes, correspondence (including electronic mail), and submissions from the private sector in connection with such negotiations received by the Secretary or the Administrator shall be made available to the public through a docket published by the Department of Transportation or the Environmental Protection Agency.

(2) NOTICE OF MEETINGS; PUBLIC COMMENT.—Not less than 90 days before any bilateral or multilateral harmonization meeting attended by the Secretary or the Administrator (or their delegates) is scheduled to be held, the Secretary or the Administrator, or both, as appropriate—

(A) shall publish notice of the purpose of the meeting in the Federal Register under the heading "Harmonization and Equivalence"; and

(B) shall establish a public docket number and hold a hearing in accordance with the provisions of chapter 5 of title 5, United States Code, on the subject matter of the meeting.

(e) WORLD TRADE ORGANIZATION ACTION FORECLOSED.—Before the United States may enter into any international agreement or agree to any standard-setting procedure, the agreement shall provide that any existing or future State standard or future United States Federal standard that is higher, more stringent, or more rigorous than the standard to be established by that agreement or procedure—

(1) may not be challenged before the World Trade Organization or any other international organization on the basis of a higher level of protection or its means of implementation; or

(2) shall contain the following clause, and other necessary safeguards: "any domestic standard providing a higher level of protection is not actionable before the World Trade Organization or other international organization on the basis of its level of protection or its means of implementation".

(f) USE OF INTERNATIONAL STANDARDS IN DOMESTIC PROCEEDINGS.—In any domestic proceeding, any agreement or standard setting procedure (arrived at or being negotiated) shall not be cited or used by the United States as a rationale for opposing efforts to provide for a greater or different level of protection.

SEC. 105. AMENDMENTS TO CHAPTER 323 (CONSUMER INFORMATION).

Section 32302 is amended by striking subsection (c).

SEC. 106. AMENDMENT TO CHAPTER 329 (AUTOMOBILE FUEL ECONOMY).

Section 32907(a)(2) is amended to read as follows:

"(2) A manufacturer shall submit a report under paragraph (1) of this subsection during the 30 days before the beginning of each model year.".

SEC. 107. AMENDMENTS TO CHAPTER 331 (THEFT PREVENTION).

Section 33104(a)(6) is repealed.

SEC. 108 DEALER NOTIFICATION PROGRAM FOR PROHIBITED SALE OF NONQUALIFYING VEHICLES FOR USE AS SCHOOLBUSES.

Section 30112 is amended by adding at the end thereof the following:

"(c) NOTIFICATION PROGRAM FOR DEALERS CONCERNING SALES OF VEHICLES AS SCHOOLBUSES.—Not later than September 1, 1998, the Secretary shall develop and implement a program to notify dealers and distributors in the United States that subsection (a) prohibits the sale or delivery of any vehicle for use as a schoolbus (as that term is defined in section 30125(a)(1) of this title) that does not meet the standards prescribed under section 30125(b) of this title.".

TITLE II—HAZARDOUS MATERIALS TRANSPORTATION REAUTHORIZATION

SEC. 201. SHORT TITLE.

This title may be cited as the "Hazardous Materials Transportation Safety Reauthorization Act of 1997".

SEC. 202. FINDINGS AND PURPOSES; DEFINITIONS.

(a) FINDINGS AND PURPOSES.—Section 5101 is amended to read as follows:

"§ 5101. Findings and purposes

"(a) FINDINGS.—The Congress finds with respect to hazardous materials transportation that—

"(1) approximately 4 billion tons of regulated hazardous materials are transported each year and that approximately 500,000 movements of hazardous materials occur each day, according to the Department of Transportation estimates;

"(2) accidents involving the release of hazardous materials are a serious threat to public health and safety;

"(3) many States and localities have enacted laws and regulations that vary from Federal laws and regulations pertaining to the transportation of hazardous materials, thereby creating the potential for unreasonable hazards in other jurisdictions and confounding shippers and carriers that attempt to comply with multiple and conflicting registration, permitting, routings, notification, loading, unloading, incidental storage, and other regulatory requirements;

"(4) because of the potential risks of life, property and the environment posed by unintentional releases of hazardous materials, consistency in laws and regulations governing the transportation of hazardous materials, including loading, unloading, and incidental storage, is necessary and desirable;

"(5) in order to achieve greater uniformity and to promote the public health, welfare, and safety at all levels, Federal standards for regulating the transportation of hazardous materials in intrastate, interstate, and foreign commerce are necessary and desirable;

"(6) in order to provide reasonable, adequate, and cost-effective protection from the risks posed by the transportation of hazardous materials, a network of adequately trained State and local emergency response personnel is required;

"(7) the movement of hazardous materials in commerce is necessary and desirable to maintain economic vitality and meet consumer demands, and shall be conducted in a safe and efficient manner; and

"(8) primary authority for the regulation of such transportation should be consolidated in the Department of Transportation to ensure the safe and efficient movement of hazardous materials in commerce.

"(9) emergency response personnel have a continuing need for training on responses to releases of hazardous materials in transportation and small business have a continuing need for training on compliance with hazardous materials regulations.

"(b) PURPOSES.—The purposes of this chapter are—

"(1) to ensure the safe and efficient transportation of hazardous materials in intrastate, interstate, and foreign commerce, including the loading, unloading, and incidental storage of hazardous material;

"(2) to provide the Secretary with preemption authority to achieve uniform regulation of hazardous material transportation, to eliminate inconsistent rules that apply differently from Federal rules, to ensure efficient movement of hazardous materials in commerce, and to promote the national health, welfare, and safety; and

"(3) to ensure adequate training of hazardous materials emergency responders, including small businesses involved in hazardous materials transportation.".

(b) DEFINITIONS.—Section 5102 is amended by—

(1) by striking paragraph (1) and inserting the following:

"(1) 'commerce' means trade or transportation in the jurisdiction of the United States—

"(A) between a place in a State and a place outside of the State;

"(B) that affects trade or transportation between a place in a State and a place outside of the State; or

"(C) on a United States-registered aircraft.";

(2) by striking paragraphs (3) and (4) and inserting the following:

"(3) 'hazmat employee' means an individual who—

"(A) is—

"(i) employed by a hazmat employer,

"(ii) self-employed, or

"(iii) an owner-operator of a motor vehicle; and

"(B) during the course of employment—

"(i) loads, unloads, or handles hazardous material;

"(ii) manufactures, reconditions, or tests containers, drums, or other packagings represented as qualified for use in transporting hazardous material;

"(iii) performs any function pertaining to the offering of hazardous material for transportation;

"(iv) is responsible for the safety of transporting hazardous material; or

"(v) operates a vehicle used to transport hazardous material.

"(4) 'hazmat employer' means a person who—

"(A) either—

"(i) is self-employed,

"(ii) is an owner-operator of a motor vehicle, or

"(iii) has at least one employee; and

"(B) performs a function, or uses at least one employee, in connection with—

"(i) transporting hazardous material in commerce;

"(ii) causing hazardous material to be transported in commerce, or

"(iii) manufacturing, reconditioning, or testing containers, drums, or other packagings represented as qualified for use in transporting hazardous material.";

(3) by striking "title." in paragraph (7) and inserting "title, except that a freight forwarder is included only if performing a function related to highway transportation";

(4) by redesignating paragraphs (9) through (13) as paragraphs (12) through (16);

(5) by inserting after paragraph (8) the following;

"(9) 'out-of-service order' means a mandate that an aircraft, vessel, motor vehicle, train, other vehicle, or a part of any of these, not be moved until specified conditions have been met.

"(10) 'package' or 'outside package' means a packaging plus its contents.

"(11) 'packaging' means a receptacle and any other components or materials necessary for the receptacle to perform its containment function in conformance with the minimum packaging requirements established by the Secretary of Transportation."; and

(6) by striking "or transporting hazardous material to further a commercial enterprise;" in paragraph 12(A), as redesignated by paragraph (4) of this subsection, and inserting a comma and "transporting hazardous material to further a commercial enterprise, or manufacturing, reconditioning, or testing containers, drums, or other packagings represented as qualified for use in transporting hazardous material".

(c) CLERICAL AMENDMENT.—The chapter analysis of chapter 51 is amended by striking the item relating to section 5101 and inserting the following:

"5101. Findings and purposes".

SEC. 203. HANDLING CRITERIA REPEAL.

Section 5106 is repealed and the chapter analysis of chapter 51 is amended by striking the item relating to that section.

SEC. 204. HAZMAT EMPLOYEE TRAINING REQUIREMENTS.

Section 5107(f)(2) is amended by striking "and sections 5106, 5108(a)–(g)(1) and (h), and".

SEC. 205. REGISTRATION.

Section 5108 is amended by—

(1) by striking subsection (b)(1)(C) and inserting the following:

"(C) each State in which the person carries out any of the activities.";

(2) by striking subsection (c) and inserting the following:

"(c) FILING SCHEDULE.—Each person required to file a registration statement under subsection (a) of this section shall file that statement annually in accordance with regulations issued by the Secretary.";

(3) by striking "552(f)" in subsection (f) and inserting "552(b)"; and

(4) by striking "may" in subsection (g)(1) and inserting "shall".

(5) by amending §5108(I)(2)(B) by adding "an INDIAN TRIBE" after "STATE,"

SEC. 206. HIGHWAY TRANSPORTATION OF HAZARDOUS MATERIALS.

(a) IN GENERAL.—Section 5109 is amended to read as follows:

"§ 5109. Hazardous materials pilot program

"(a) GENERAL.—The Secretary of Transportation shall implement a pilot program to evaluate the use of automated carrier assessment programs for carriers of certain hazardous materials.

"(b) HAZARDOUS MATERIALS COVERED.—The Secretary shall determine the hazardous materials to be covered by the pilot program. The Secretary may limit materials to—

"(1) class 1.1, 1.2, or 1.3 explosives;

"(2) liquefied natural gas;

"(3) hazardous materials the Secretary designates as extremely toxic by inhalation;

"(4) a highway route controlled quantity of radioactive material, as defined by the Secretary; or

"(5) any other hazardous material designated by the Secretary under section 5103(a) of this title.".

(b) CLERICAL AMENDMENT.—The chapter analysis for chapter 51 is amended by striking the item relating to section 5109 and inserting the following:

"5109. Hazardous materials pilot program".

SEC. 207. SHIPPING PAPER RETENTION.

Section 5110(e) is amended by striking the first sentence and inserting "After expiration of the requirement in subsection (c) of this section, the person who provided the shipping paper and the carrier required to maintain it under subsection (a) of this section shall retain the paper or an electronic image thereof, for a period of 1 year after the shipping paper was provided to the carrier, to be accessible through their respective principal places of business.".

SEC. 208. PUBLIC SECTOR TRAINING CURRICULUM.

Section 5115 is amended by—

(1) by striking "DEVELOPMENT AND UPDATING.—Not later than November 16, 1992, in" in subsection (a) and inserting "UPDATING.—In";

(2) by striking "develop and" in the first sentence of subsection (a);

(3) by striking the second sentence of subsection (a);

(4) by striking "developed" in the first sentence of subsection (b);

(5) by inserting "or involving an alternative fuel vehicle" after "material" in subparagraphs (A) and (B) of subsection (b)(1); and

(6) by striking subsection (d) and inserting the following:

"(d) DISTRIBUTION AND PUBLICATION.—With the national response team, the Secretary of Transportation may publish a list of programs that use a course developed under this section for training public sector employees to respond to an accident or incident involving the transportation of hazardous material.".

SEC. 209. PLANNING AND TRAINING GRANTS.

Section 5116 is amended by—

(1) by striking "of" in the second sentence of subsection (e) and inserting "received by";

(2) by striking subsection (f) and inserting the following:

"(f) MONITORING AND TECHNICAL ASSISTANCE.—The Secretary of Transportation shall monitor public sector emergency response planning and training for an accident or incident involving hazardous material. Considering the results of the monitoring, the Secretary shall provide technical assistance to a State, political subdivision of a State, or Indian tribe for carrying out emergency response training and planning for an accident or incident involving hazardous material and shall coordinate the assistance using the existing coordinating mechanisms of the National Response Team for Oil and Hazardous Substances and, for radioactive material, the Federal Radiological Preparedness Coordinating Committee."; and

(3) by adding at the end thereof the following:

"(1) SMALL BUSINESSES.—The Secretary may authorize a State or Indian tribe receiving a grant under this section to use up to 25 percent of the amount of the grant to assist small businesses in complying with regulations issued under this chapter.".

SEC. 210 SPECIAL PERMITS AND EXCLUSIONS.

(a) Section 5117 is amended by—

(1) by striking the section caption and inserting the following:

"§ 5117. Special permits and exclusions";

(2) by striking "exemption" each place it appears and inserting "special permit";

(3) by inserting "authorizing variances" after "special permit" the first place it appears; and

(4) by striking "2" and inserting "4" in subsection (a)(2).

(b) The chapter analysis for chapter 51 is amended by striking the item related to section 5117 and inserting the following:

"5117. Special permits and exclusions".

SEC. 211. COOPERATIVE AGREEMENTS.

Section 5121, as amended by section 211(a), is further amended by adding at the end thereof the following:

"(c) AUTHORITY FOR COOPERATIVE AGREEMENTS.—To carry out this chapter, the Secretary may enter into grants, cooperative agreements, and other transactions with a person, agency or instrumentality of the United States, a unit of State or local government, an Indian tribe, a foreign government (in coordination with the State Department), an educational institution, or other entity to further the objectives of this chapter. The objectives of this chapter include the conduct of research, development, demonstration, risk assessment, emergency response planning and training activities.".

SEC. 212. ENFORCEMENT.

Section 5122, as amended by section 211(b), is further amended by—

(1) by inserting "inspect," after "may" in the first sentence of subsection (a);

(2) by striking the last sentence of subsection (a) and inserting: "Except as provided in subsection (e) of this section, the Secretary shall provide notice and an opportunity for a hearing prior to issuing an order requiring compliance with this chapter or a regulation, order, special permit, or approval issued under this chapter.";

(2) by redesignating subsections (d) and (e) as subsections (f) and (g), and inserting after subsection (c) the following:

"(d) OTHER AUTHORITY.—During inspections and investigations, officers, employees, or agents of the Secretary may—

"(1) open and examine the contents of a package offered for, or in, transportation when—

"(A) the package is marked, labeled, certified, placarded, or otherwise represented as containing a hazardous material, or

"(B) there is an objectively reasonable and articulable belief that the package may contain a hazardous material;

"(2) take a sample, sufficient for analysis, of material marked or represented as a hazardous material or for which there is an objectively reasonable and articulable belief that the material may be a hazardous material, and analyze that material;

"(3) when there is an objectively reasonable and articulable belief that an imminent hazard may exist, prevent the further transportation of the material until the hazardous qualities of that material have been determined; and

"(4) when safety might otherwise be compromised, authorize properly qualified personnel to conduct the examination, sampling, or analysis of a material.

"(e) EMERGENCY ORDERS.—

"(1) If, through testing, inspection, investigation, or research carried out under this chapter, the Secretary decides that an unsafe condition or practice, or a combination of them, causes an emergency situation involving a hazard of death, personal injury, or significant harm to the environment, the Secretary may immediately issue or impose restrictions, prohibitions, recalls, or out-of-service orders, without notice or the opportunity for a hearing, that may be necessary to abate the situation.

"(2) The Secretary's action under this subsection must be in a written order describing the condition or practice, or combination of them, that causes the emergency situation; stating the restrictions, prohibitions, recalls, or out-of-service orders being issued or imposed; and prescribing standards and procedures for obtaining relief from the order.

"(3) After taking action under this subsection, the Secretary shall provide an opportunity for review of that action under section 554 of title 5.

"(4) If a petition for review is filed and the review is not completed by the end of the 30-day period beginning on the date the petition was filed, the action will cease to be effective at the end of that period unless the Secretary determines in writing that the emergency situation still exists.".

SEC. 213. PENALTIES.

(a) Section 5123(a)(1) is amended by striking the first sentence and inserting the following: "A person that knowingly violates this chapter or a regulation, order, special permit, or approval issued under this chapter is liable to the United States Government for a civil penalty of at least $250 but not more than $27,500 for each violation.".

(b) Section 5123(c)(2) is amended to read as follows:

"(2) with respect to the violator, the degree of culpability, any good-faith efforts to comply with the applicable requirements, any history of prior violations, any economic benefit resulting from the violation, the ability to pay, and any effect on the ability to continue to do business; and".

(c) Section 5124 is amended to read as follows:

§ 5124. Criminal penalty

"(a) IN GENERAL.—A person knowingly violating section 5104(b) of this title or willfully violating this chapter or a regulation, order, special permit, or approval issued under this chapter, shall be fined under title 18, imprisoned for not more than 5 years, or both.

"(b) AGGRAVATED VIOLATIONS.—A person knowingly violating section 5104(b) of this title or willfully violating this chapter or a regulation, order, special permit, or approval issued under this chapter, and thereby causing the release of hazardous material, shall be fined under title 18, imprisoned for not more than 20 years, or both.".

SEC. 214. PREEMPTION.

(a) REQUIREMENTS CONTRARY TO PURPOSES OF CHAPTER.—Section 5125(a)(2) is amended by inserting a comma and "the purposes of this chapter," after "this chapter" the first place it appears.

(b) DEADWOOD.—Section 5125(b)(2) is amended by striking "prescribes after November 16, 1990." and inserting "prescribes.".

(c) Add § 5125(h) as Follows: "RELATIONSHIP TO OTHER LAW.—No preemption authority established by subsection (a), (b), (c) or (g) of this section, or section 5119(a) of this chapter, shall be construed to limit or be limited by any other preemption authority of this section or chapter."

SEC. 215. JUDICIAL REVIEW.

(a) Chapter 51 is amended by redesignating section 5127 as section 5128, and by inserting after section 5126 the following new section:

§ 5127. Judicial review

"(a) FILING AND VENUE.—Except as provided in section 20114(c) of this title, a person disclosing a substantial interest in a final order issued, under the authority of section 5122 or 5123 of this title, by the Secretary of Transportation, the Administrators of the Research and Special Programs Administration, the Federal Aviation Administration, or the Federal Highway Administration, or the Commandant of the United States Coast Guard ('modal Administrator'), with respect to the duties and powers designated to be carried out by the Secretary under this chapter, may apply for review in the United

States Court of Appeals for the District of Columbia or in the court of appeals for the United States for the circuit in which the person resides or has its principal place of business. The petition must be filed not more than 60 days after the order is issued. The court may allow the petition to be filed after the 60th day only if there are reasonable grounds for not filing by the 60th day.

"(b) JUDICIAL PROCEDURES.—When a petition is filed under subsection (a) of this section, the clerk of the court immediately shall send a copy of the petition to the Secretary or the modal Administrator, as appropriate. The Secretary or the modal Administrator shall file with the court a record of any proceeding in which the order was issued, as provided in section 2112 of title 28.

"(c) AUTHORITY OF COURT.—When the petition is sent to the Secretary or the modal Administrator, the court has exclusive jurisdiction to affirm, amend, modify, or set aside any part of the order and may order the Secretary or the modal Administrator to conduct further proceedings. After reasonable notice to the Secretary or the modal Administrator, the court may grant interim relief by staying the order or taking other appropriate action when good cause for its action exists. Findings of fact by the Secretary or the modal Administrator, if supported by substantial evidence, are conclusive.

"(d) REQUIREMENT FOR PRIOR OBJECTION.—In reviewing a final order under this section, the court may consider an objection to a final order of the Secretary or the modal Administrator only if the objection was made in the course of a proceeding or review conducted by the Secretary, the modal Administrator, or an administrative law judge, or if there was a reasonable ground for not making the objection in the proceeding.

"(e) SUPREME COURT REVIEW.—A decision by a court under this section may be reviewed only by the Supreme Court under section 1254 of title 28, United States Code.".

(b) The chapter analysis for chapter 51 is amended by striking the item related to section 5127 and inserting the following:

"5127. Judicial review.".

"5128. Authorization of appropriations.".

SEC. 216. HAZARDOUS MATERIAL TRANSPORTATION REAUTHORIZATION.

(a) IN GENERAL.—Chapter 51, as amended by section 216 of this Act, is amended by redesignating section 5128 as section 5129 and by inserting after section 5127 the following:

§ 5128. High risk hazardous material; motor carrier safety study

"(a) STUDY.—The Secretary of Transportation shall conduct a study—

"(1) to determine the safety benefits and administrative efficiency of implementing a Federal permit program for high risk hazardous material carriers;

"(2) to identify and evaluate alternative regulatory methods and procedures that may improve the safety of high risk hazardous material carriers and shippers;

"(3) to examine the safety benefits of increased monitoring of high risk hazardous material carriers, and the costs, benefits, and procedures of existing State permit programs;

"(4) to make such recommendations as may be appropriate for the improvement of uniformity among existing State permit programs; and

"(5) to assess the potential of advanced technologies for improving the assessment of high risk hazardous material carriers' compliance with motor carrier safety regulations.

"(b) TIMEFRAME.—The Secretary shall begin the study required by subsection (a) within 6 months after the date of enactment of the Surface Transportation Safety Act of 1997 and complete it within 30 months.

"(c) REPORT.—The Secretary shall report the findings of the study required by subsection (a), together with such recommendations as may be appropriate, within 36 months after the date of enactment of that Act.".

(b) SECTION 5109 REGULATIONS TO REFLECT STUDY FINDINGS.—Section 5109(h) is amended by striking "not later than November 16, 1991." and inserting "based upon the findings of the study required by section 5128(a).".

(c) CONFORMING AMENDMENT.—The chapter analysis for chapter 51, as amended by section 216, is amended by striking the item relating to section 5128 and inserting the following:

"5128. High risk hazardous material; motor carrier safety study

"5129. Authorization of appropriations".

SEC. 217. AUTHORIZATION OF APPROPRIATIONS.

Section 5129, as redesignated, is amended—

(1) by striking subsection (a) and inserting the following:

"(a) GENERAL.—Not more than $15,492,000 may be appropriated to the Secretary of Transportation for fiscal year 1998, and such sums as may be necessary for fiscal years 1999, 2000, 2001, 2002, and 2003, to carry out this chapter (except sections 5107(e), 5108(g)(2), 5113, 5115, 5116, and 5119).";

(2) by striking subsections (c) and (d) and inserting the following:

"(c) TRAINING CURRICULUM,—Not more than $200,000 is available to the Secretary of Transportation from the account established under section 5116(i) of this title for each of the fiscal years ending September 30, 1999–2003, to carry out section 5115 of this title.

"(d) PLANNING AND TRAINING.—

(1) Not more than $2,444,000 is available to the Secretary of Transportation from the account established under section 5116(i) of this title for the fiscal year ending September 30, 1998, and such sums as may be necessary for fiscal years 1999–2003, to carry out section 5116(a) of this title.

"(2) Not more than $3,666,000 is available to the Secretary of Transportation from the account established under section 5116(i) of this title for the fiscal year ending September 30, 1998, and such sums as may be necessary for fiscal years 1999–2003, to carry out section 5116(b) of this title.

"(3) Not more than $600,000 is available to the Secretary of Transportation from the account established under section 5116(i) of this title for the fiscal year ending September 30, 1998, and such sums as may be necessary for fiscal years 1999–2003, to carry out section 5116(f) of this title."; and

(3) striking subsection (e) and inserting the following:

"(e) UNIFORM FORMS AND PROCEDURES.—Not more than $250,000 may be appropriated to the Secretary of Transportation for each of fiscal years 1998, 1999, and 2000 for making grants under section 5119(c).".

TITLE III—SANITARY FOOD TRANSPORTATION

SEC. 301. SHORT TITLE.

This title may be cited as the "Sanitary Food Transportation Act of 1997".

SEC. 302. FINDINGS.

Congress finds that—

(1) the Department of Transportation, the Department of Agriculture, and the Food and Drug Administration in the Department of Health and Human Services have consulted about how best to ensure that food is not adulterated as a result of the conditions under which it is transported. As a result of these consultations, the agencies have confirmed that steps to ensure the safety of food are more efficient if taken by the agencies directly charged with the responsibility for food safety;

(2) the Secretary of Agriculture has ample authority under the Federal Meat Inspection Act (21 U.S.C. 601 et seq.), the Poultry Products Inspection Act (21 U.S.C. 451 et seq.), and the Egg Products Inspection Act (21 U.S.C. 1031 et seq.), to inspect and regulate continuously the transportation of meat, poultry, and eggs in commerce for use in human food, has exercised the statutory authority in a diligent manner so as to prevent the transportation of unwholesome or adulterated meat, poultry, and egg products in commerce, and does not need additional enforcement authority to regulate the transportation of meat, poultry, and egg products in commerce;

(3) certain statutory changes are necessary to provide the Secretary of Health and Human Services with the authority necessary to ensure that food, other than that regulated by the Secretary of Agriculture, will not be rendered adulterated in transportation;

(4) the appropriate role for the Secretary of Transportation is to provide assistance concerning the transportation aspects of food safety; and

(5) therefore, amendment of chapter 57 of title 49, United States Code, and the transfer of certain authorities to the Secretary of Health and Human Services, is appropriate.

SEC. 303. RESPONSIBILITIES OF THE SECRETARY OF HEALTH AND HUMAN SERVICES.

(a) UNSANITARY TRANSPORT DEEMED ADULTERATION.—Section 402 of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 342) is amended by adding at the end the following:

"(h) If it is transported under conditions that are not in compliance with the sanitary transportation practices prescribed by the Secretary under section 414.".

(b) SANITARY TRANSPORTATION REQUIREMENTS.—Chapter IV of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 341 et seq.) is amended by adding at the end the following:

"SEC. 414. SANITARY TRANSPORTATION OF FOOD.

"(a) SANITARY TRANSPORTATION PRACTICES.—The Secretary shall establish by regulation sanitary transportation practices which shippers, carriers, receivers, and other persons engaged in the transportation of food shall be required to follow to ensure that the food is not transported under conditions that may render it adulterated, including such practices as the Secretary may find appropriate relating to—

"(1) sanitation;

"(2) packaging, isolation, and other protective measures;

"(3) limitations on the use of vehicles;

"(4) information to be disclosed—

"(A) to a carrier by a person arranging for the transport of food, and

"(B) to a manufacturer or other persons arranging for the transport of food by a carrier or other person furnishing a tank or bulk vehicle for the transport of food; and

"(5) recordkeeping.

"(b) LIST OF UNACCEPTABLE NONFOOD PRODUCT.—The Secretary, by publication in the Federal Register, may establish and periodically amend—

"(1) a list of nonfood products that the Secretary determines may, if shipped in a tank or bulk vehicle, render adulterated food

transported subsequently in such vehicle; and

"(2) a list of nonfood products that the Secretary determines may, if shipped in a motor or rail vehicle (other than a tank or bulk vehicle), render adulterated food transported simultaneously or subsequently in such vehicle.

"(c) WAIVER AUTHORITY.—

"(1) IN GENERAL.—The Secretary may waive all or part of this section, or any requirement under this section, with respect to any class of persons, of vehicles, of food, or of nonfood products, if the Secretary determines that such waiver—

"(A) will not result in the transportation of food under conditions that would be unsafe for human or animal health; and

"(B) will not be contrary to the public interest or this Act.

"(2) PUBLICATION.—The Secretary shall publish in the Federal Register any waiver and the reasons for the waiver.

"(d) PREEMPTION.—

"(1) IN GENERAL.—No State or political subdivision of a State may directly or indirectly establish or continue in effect, as to any food in interstate commerce, any authority or requirement concerning that transportation of food that is not identical to the requirement of this section.

"(2) EFFECTIVE DATE.—The provisions of this subsection apply only with respect to transportation occurring on or after the effective date of regulations prescribed under subsection (a).

"(e) ASSISTANCE OF OTHER AGENCIES.—The Secretary of Transportation, the Secretary of Agriculture, the Administrator of the Environmental Protection Agency, and the heads of other Federal agencies, as appropriate, shall provide assistance upon request, to the extent resources are available, to the Secretary of Health and Human Services for the purposes of carrying out this section.

"(f) DEFINITIONS.—For purposes of this section—

"(1) The term 'transportation' means any movement of property in commerce by motor vehicle or rail vehicle.

"(2) The term 'tank or bulk vehicle' includes any vehicle in which food is shipped in bulk and in which the food comes directly into contact with the vehicle, including tank trucks, hopper trucks, rail tank cars, hopper cars, cargo tanks, portable tanks, freight containers, or hopper bins.".

"(c) INSPECTION OF TRANSPORTATION RECORDS.—

"(1) AMENDMENT OF CHAPTER VII.—Chapter VII of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 371 et seq.) is amended by inserting after section 703 the following new section:

"SEC. 703A. FOOD TRANSPORTATION RECORDS.

"Shippers, carriers by motor vehicle or rail vehicle, and other persons subject to section 414 shall, upon request of an officer or employee duly designated by the Secretary, permit such officer or employee, at reasonable times, to have access to and to copy all records that the Secretary requires them to make or retain under section 414(a)(5) of this Act.".

"(2) CONFORMING AMENDMENT.—The second proviso of section 703 of the Act (21 U.S.C. 373) is amended by inserting ", unless otherwise explicitly provided," after "That".

(d) PROHIBITED ACTS.—

(1) AMENDMENT OF SECTION 301(C).—Section 301(c) of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 331(e)) is amended by—

(A) by striking "or 703" and inserting ", 703, or 703A"; and

(B) by inserting "414," before "505(i)".

(2) UNSAFE FOOD TRANSPORTATION.—Section 301 of the Act (21 U.S.C. 331) is further amended by—

(A) by redesignating subsection (u) as subsection (v); and

(B) by adding at the end the following new subsection:

"(w) The failure, by a shipper, carrier, receiver, or any other person engaged in the transportation of food, to comply with the sanitary transportation practices prescribed by the Secretary under section 414.".

SEC. 304. DEPARTMENT OF TRANSPORTATION REQUIREMENTS.

Chapter 57 relating to sanitary food transportation, is amended to read as follows:

"CHAPTER 57—SANITARY FOOD TRANSPORTATION

"Sec.
"5701. Findings.
"5702. Food transportation safety inspections.

"§ 5701. Findings

"Congress finds that—

"(1) the United States public is entitled to receive food and other consumer products that are not made unsafe because of certain transportation practices;

"(2) The United States public is threatened by the transportation of products potentially harmful to consumers in motor vehicles and rail vehicles that are used to transport food and other consumer products; and

"(3) the risks to consumers by those transportation practices are unnecessary and those practices must be ended.

"§ 5702. Food transportation safety inspections

"(a) INSPECTION PROCEDURES.—

"(1) The Secretary of Transportation, in consultation with the Secretaries of Health and Human Services and Agriculture, shall establish procedures to be used in performing transportation safety inspections for the purpose of identifying suspected incidents of contamination or adulteration of food that may violate regulations issued under section 414 of the Federal Food, Drug, and Cosmetic Act and shall train personnel of the Department of Transportation in the appropriate use of such procedures.

"(2) The procedures established under paragraph (1) of this subsection shall apply, at a minimum, to the Department of Transportation personnel who perform commercial motor vehicle and railroad safety inspections.

"(b) NOTIFICATION OF SECRETARIES OF HEALTH AND HUMAN SERVICES AND AGRICULTURE.—The Secretary of Transportation shall promptly notify the Secretary of Health and Human Services or the Secretary of Agriculture, as applicable, of any instances of potential food contamination or adulteration of a food identified during transportation safety inspections.

"(c) USE OF STATE EMPLOYEES.—The Secretary of Transportation may carry out notification under subsection (b) by transmittal of reports of inspections conducted in accordance with such procedures by State employees using funds authorized to be appropriated under sections 31102 through 31104 of this title.".

SEC. 305. EFFECTIVE DATE.

Unless otherwise specified, the provisions of this title take effect on October 1, 1997.

TITLE IV—RAIL AND MASS TRANSPORTATION ANTI-TERRORISM

SEC. 401. SHORT TITLE.

This title may be cited as the "Transportation Anti-Terrorism Act of 1997".

SEC. 402. PURPOSE.

The purpose of this title is to protect the passengers and employees of railroad carriers and mass transportation systems and the movement of freight by railroad from terrorist attacks.

SEC. 403. AMENDMENTS TO THE "WRECKING TRAINS" STATUTE.

(a) Section 1992 of title 18, United States Code, is amended to read as follows:

"§ 1992. Terrorist attacks against railroads

"(a) GENERAL PROHIBITIONS.—Whoever willfully—

"(1) wrecks, derails, set fire to, or disables any train, locomotive, motor unit, or freight or passenger car used, operated, or employed by a railroad carrier;

"(2) brings, carries, possesses, places or causes to be placed any destructive substance, or destructive device in, upon, or near any train, locomotive, motor unit, or freight or passenger car used, operated, or employed by a railroad carrier, without previously obtaining the permission of the carrier, and with intent to endanger the safety of any passenger or employee of the carrier, or with a reckless disregard for the safety of human life;

"(3) sets fire to, or places any destructive substance, or destructive device in, upon or near, or undermines any tunnel, bridge, viaduct, trestle, track, signal, station, depot, warehouse, terminal, or any other way, structure, property, or appurtenance used in the operation of, or in support of the operation of, a railroad carrier, or otherwise makes any such tunnel, bridge, viaduct, trestle, track, station, depot, warehouse, terminal, or any other way, structure, property, or appurtenance unworkable or unusable or hazardous to work or use, knowing or having reason to know such activity would likely derail, disable, or wreck a train, locomotive, motor unit, or freight or passenger car used, operated, or employed by a railroad carrier;

"(4) removes appurtenances from, damages, or otherwise impairs the operation of any railroad signal system, including a train control system, centralized dispatching system, or highway-railroad grade crossing warning signal on a railroad line used, operated, or employed by a railroad carrier;

"(5) interferes with, disables or incapacitates any locomotive engineer, conductor, or other person while they are operating or maintaining a train, locomotive, motor unit, or freight or passenger car used, operated, or employed by a railroad carrier, with intent to endanger the safety of any passenger or employee of the carrier, or with a reckless disregard for the safety of human life;

"(6) commits an act intended to cause death or serious bodily injury to an employee or passenger of a railroad carrier while on the property of the carrier;

"(7) causes the release of a hazardous material being transported by a rail freight car, with the intent to endanger the safety of any person, or with a reckless disregard for the safety of human life;

"(8) conveys or causes to be conveyed false information, knowing the information to be false, concerning an attempt or alleged attempt being made or to be made, to do any act which would be a crime prohibited by this subsection; or

"(9) attempts, threatens, or conspires to do any of the aforesaid acts, shall be fined under this title or imprisoned not more than twenty years, or both, if such act is committed, or in the case of a threat or conspiracy such act would be committed, within the United States on, against, or affecting a railroad carrier engaged in or affecting

interstate or foreign commerce, or if in the course of committing such acts, that person travels or communicates across a State line in order to commit such acts, or transports materials across a State line in aid of the commission of such acts; Provided however, that whoever is convicted of any crime prohibited by this subsection shall be:

"(A) imprisoned for not less than thirty years or for life if the railroad train involved carried high-level radioactive waste or spent nuclear fuel at the time of the offense;

"(B) imprisoned for life if the railroad train involved was carrying passengers at the time of the offense; and

"(C) imprisoned for life or sentenced to death if the offense has resulted in the death of any person.

"(b) PROHIBITIONS ON THE USE OF FIREARMS AND DANGEROUS WEAPONS.—

"(1) Except as provided in paragraph (4), whoever knowingly possesses or causes to be present any firearm or other dangerous weapon on board a passenger train of a railroad carrier, or attempts to do so, shall be fined under this title or imprisoned not more than one year, or both, if such act is committed on a railroad carrier that is engaged in or affecting interstate or foreign commerce, of if in the course of committing such act, that person travels or communicates across a State line in order to commit such act, or transports materials across a State line in aid of the commission of such act.

"(2) Whoever, with intent that a firearm or other dangerous weapon be used in the commission of a crime, knowingly possesses or causes to be present such firearm or dangerous weapon on board a passenger train or in a passenger terminal facility of a railroad carrier, or attempts to do so, shall be fined under this title or imprisoned not more than 5 years, or both, if such act is committed on a railroad carrier that is engaged in or affecting interstate or foreign commerce, or if in the course of committing such act, that person travels or communicates across a State line in order to commit such act, or transports materials across a State line in aid of the commission of such act.

"(3) A person who kills or attempts to kill a person in the course of a violation of paragraphs (1) or (2), or in the course of an attack on a passenger train or a passenger terminal facility of a railroad carrier involving the use of a firearm or other dangerous weapon, shall be punished as provided in sections 1111, 1112, and 1113 of this title.

"(4) Paragraph (1) shall not apply to:

"(A) the possession of a firearm or other dangerous weapon by an officer, agent, or employee of the United States, a State, or a political subdivision thereof, while engaged in the lawful performance of official duties, who is authorized by law to engage in the transportation of people accused or convicted of crimes, or supervise the prevention, detection, investigation, or prosecution of any violation of law;

"(B) the possession of a firearm or other dangerous weapon by an officer, agent, or employee of the United States, a State, or a political subdivision thereof, while off duty, if such possession is authorized by law;

"(C) the possession of a firearm or other dangerous weapon by a Federal official or a member of the Armed Forces is such possession is authorized by law; or

"(D) an individual transporting a firearm on board a railroad passenger train (except a loaded firearm) in baggage not accessible to any passenger on board the train, if the railroad carrier was informed of the presence of the weapon prior to the firearm being placed on board the train.

"(c) PROHIBITION AGAINST PROPELLING OBJECTS.—Whoever willfully or recklessly throws, shoots, or propels a rock, stone, brick, or piece of iron, steel, or other metal or any deadly or dangerous object or destructive substance at any locomotive or car of a train, knowing or having reason to know such activity would likely cause personal injury, shall be fined under this title or imprisoned for not more than 5 years, or both, if such act is committed on or against a railroad carrier engaged in or affecting interstate or foreign commerce, or if in the course of committing such act, that person travels or communicates across a State line in order to commit such act, or transports materials across a State line in aid of the commission of such act. Whoever is convicted of any crime prohibited by this subsection shall also be subject to imprisonment for not more than twenty years if the offense has resulted in the death of any person.

"(d) DEFINITIONS.—In this section—

"(1) 'dangerous device' has the meaning given to that term in section 921(a)(4) of this title;

"(2) 'dangerous weapon" has the meaning given to that term in section 930 of this title;

"(3) 'destructive substance" has the meaning given to that term in section 31 of this title, except that (A) the term 'radioactive device' does not include any radioactive device or material used solely for medical, industrial, research, or other peaceful purposes, and (B) 'destructive substance' includes any radioactive device or material that can be used to cause a harm listed in subsection (a) and that is not in use solely for medical, industrial, research, or other peaceful purposes;

"(4) 'firearm' has the meaning given to that term in section 921 of this title;

"(5) 'hazardous material' has the meaning given to that term in section 5102(2) of title 49, United States Code;

"(6) 'high-level radioactive waste' has the meaning given to that term in section 10101(12) of title 42, United States Code;

"(7) 'railroad' has the meaning given to that term in section 20102(1) of title 49, United States Code;

"(8) 'railroad carrier' has the meaning given to that term in section 20102(2) of title 49, United States Code;

"(9) 'serious bodily injury' has the meaning given to that term in section 1365 of this title;

"(10) 'spent nuclear fuel' has the meaning given to that term in section 10101(23) of title 42, United States Code; and

"(11) 'State' has the meaning given to that term in section 2266 of this title.".

(b) In the analysis of chapter 97 of title 18, United States Code, item "1992" is amended to read:

"1992. Terrorist attacks against railroads".

SEC. 404. TERRORIST ATTACKS AGAINST MASS TRANSPORTATION.

(a) Chapter 97 of title 18, United States Code, is amended by adding at the end thereof the following new section:

"§ 1994. Terrorist attacks against mass transportation

"(a) GENERAL PROHIBITIONS.—Whoever willfully—

"(1) wrecks, derails, sets fire to, or disables a mass transportation vehicle or vessel;

"(2) places or causes to be placed any destructive substance in, upon or near a mass transportation vehicle or vessel, without previously obtaining the permission of the mass transportation provider, and with intent to endanger the safety of any passenger or employee of the mass transportation provider, or with a reckless disregard for the safety of human life;

"(3) sets fire to, or places any destructive substance in, upon, or near any garage, terminal, structure, supply, or facility used in the operation of, or in support of the operation of, a mass transportation vehicle, knowing or having reason to know such activity would likely derail, disable, or wreck a mass transportation vehicle used, operated, or employed by a mass transportation provider;

"(4) removes appurtenances from, damages, or otherwise impairs the operation of a mass transportation signal system, including a train control system, centralized dispatching system, or rail grade cross warning signal;

"(5) interferes with, disables or incapacitates any driver or person while they are employed in operating or maintaining a mass transportation vehicle or vessel, with intent to endanger the safety of any passenger or employee of the mass transportation provider, or with a reckless disregard for the safety of human life;

"(6) commits an act intended to cause death or serious bodily injury to an employee or passenger of a mass transportation provider on the property of a mass transportation provider;

"(7) conveys or causes to be conveyed false information, knowing the information to be false, concerning an attempt or alleged attempt being made or to be made, to do any act which would be a crime prohibited by this subsection; or

"(8) attempts, threatens, or conspires to do any of the aforesaid acts—shall be fined under this title or imprisoned not more than twenty years, or both, if such act is committed, or in the case of a threat or conspiracy such act would be committed, within the United States on, against, or affecting a mass transportation provider engaged in or affecting interstate or foreign commerce, or if in the course of committing such act, that person travels or communicates across a State line in order to commit such act, or transports materials across a State line in aid of the commission of such act. Whoever is convicted of a crime prohibited by this section shall also be subject to imprisonment for life if the mass transportation vehicle or vessel was carrying a passenger at the time of the offense, and imprisonment for life or sentenced to death if the offense has resulted in the death of any person.

"(b) PROHIBITION ON THE USE OF FIREARMS AND DANGEROUS WEAPONS.—

"(1) Except as provided in paragraph (4), whoever knowingly possesses or causes to be present any firearm or other dangerous weapon on board a mass transportation vehicle or vessel, or attempts to do so, shall be fined under this title or imprisoned not more than one year, or both, if such act is committed on a mass transportation provider engaged in or affecting interstate or foreign commerce, or if in the course of committing such act, that person travels or communicates across a State line in order to commit such act, or transports materials across a State line in aid of the commission of such act.

"(2) Whoever, with intent that a firearm or other dangerous weapon be used in the commission of a crime, knowingly possesses or causes to be present such firearm or dangerous weapon on board a mass transportation vehicle or vessel, or in a mass transportation passenger terminal facility, or attempts to do so, shall be fined under this title, or imprisoned not more than 5 years,

or both, if such act is committed on a mass transportation provider engaged in or affecting interstate or foreign commerce, or if in the course of committing such act, that person travels or communicates across a State line in order to commit such act, or transports materials across a State line in aid of the commission of such act.

"(3) A person who kills or attempts to kill a person in the course of a violation of paragraphs (1) or (2), or in the course of an attack on a mass transportation vehicle or vessel, or a mass transportation passenger terminal facility involving the use of a firearm or other dangerous weapon, shall be punished as provided in sections 1111, 1112, and 1113 of this title.

"(4) Paragraph (1) shall not apply to:

"(A) the possession of a firearm or other dangerous weapon by an officer, agent, or employee of the United States, a State, or a political subdivision thereof, while engaged in the lawful performance of official duties, who is authorized by law to engage in the transportation of people accused or convicted of crimes, or supervise the prevention, detection, investigation, or prosecution of any violation of law;

"(B) the possession of a firearm or other dangerous weapon by an officer, agent, or employee of the United States, a State, or a political subdivision thereof, while off duty, if such possession is authorized by law;

"(C) the possession of a firearm or other dangerous weapon by a Federal official or a member of the Armed Forces if such possession is authorized by law; or

"(D) an individual transporting a firearm on board a mass transportation vehicle or vessel (except a loaded firearm) in baggage not accessible to any passenger on board the vehicle or vessel, if the mass transportation provider was informed of the presence of the weapon prior to the firearm being placed on board the vehicle or vessel.

"(c) PROHIBITION AGAINST PROPELLING OBJECTS.—Whoever willfully or recklessly throws, shoots, or propels a rock, stone, brick, or piece of iron, steel, or other metal or any deadly or dangerous object or destructive substance at any mass transportation vehicle or vessel, knowing or having reason to know such activity would likely cause personal injury, shall be fined under this title or imprisoned for not more than 5 years, or both, if such act is committed on or against a mass transportation provider engaged in or substantially affecting interstate or foreign commerce, or if in the course of committing such acts, that person travels or communicates across a State line in order to commit such acts, or transports materials across a State line in aid of the commission of such acts. Whoever is convicted of any crime prohibited by this subsection shall also be subject to imprisonment for not more than twenty years if the offense has resulted in the death of any person.

"(d) DEFINITIONS.—In this section—

"(1) 'dangerous device' has the meaning given to that term in section 921(a)(4) of this title;

"(2) 'dangerous weapon' has the meaning given to that term in section 930 of this title;

"(3) 'destructive substance' has the meaning given to that term in section 31 of this title, except that (A) the term 'radioactive device' does not include any radioactive device or material used solely for medical, industrial, research, or other peaceful purposes, and (B) 'destructive substance' includes any radioactive device or material that can be used to cause a harm listed in subsection (a) and that is not in use solely for medical, industrial, research, or other peaceful purposes;

"(4) 'firearm' has the meaning given to that term in section 921 of this title;

"(5) 'mass transportation' has the meaning given to that term in section 5302(a)(7) of title 49, United States Code, except that the term shall include schoolbus, charter, and sightseeing transportation;

"(6) 'serious bodily injury' has the meaning given to that term in section 1365 of this title; and

"(7) 'State' has the meaning given to that term in section 2266 of this title.".

(b) The analysis of chapter 97 of title 18, United States Code, is amended by adding at the end thereof:

"1994. Terrorist attacks against mass transportation.".

SEC. 405. INVESTIGATIVE JURISDICTION.

The Federal Bureau of Investigation shall lead the investigation of all offenses under sections 1192 and 1994 of title 18, United States Code. The Federal Bureau of Investigation shall cooperate with the National Transportation Safety Board and with the Department of Transportation in safety investigations by these agencies, and with the Treasury Department's Bureau of Alcohol, Tobacco and Firearms concerning an investigation regarding the possession of firearms and explosives.

TITLE V—RAIL AND MASS TRANSPORTATION SAFETY

SEC. 501. SAFETY CONSIDERATIONS IN GRANTS OR LOANS TO COMMUTER RAILROADS.

Section 5329 is amended by adding at the end the following:

"(c) COMMUTER RAILROAD SAFETY CONSIDERATIONS.—In making a grant or loan under this chapter that concerns a railroad subject to the Secretary's railroad safety jurisdiction under section 20102 of this title, the Federal Transit Administrator shall consult with the Federal Railroad Administrator concerning relevant safety issues. The Secretary may use appropriate authority under this chapter, including the authority to prescribe particular terms or covenants under section 5334 of this title, to address any safety issues identified in the project supported by the loan or grant.".

SEC. 502. RAILROAD ACCIDENT AND INCIDENT REPORTING.

Section 20901(a) is amended to read as follows:

"(a) GENERAL REQUIREMENTS.—On a periodic basis as specified by the Secretary of Transportation, a railroad carrier shall file a report with the Secretary on all accidents and incidents resulting in injury or death to an individual or damage to equipment or a roadbed arising from the carrier's operations during that period. The report shall state the nature, cause, and circumstances of each reported accident or incident. If a railroad carrier assigns human error as a cause, the report shall include, at the option of each employee whose error is alleged, a statement by the employee explaining any factors the employee alleges contributed to the accident or incident.".

SEC. 503. VEHICLE WEIGHT LIMITATIONS—MASS TRANSPORTATION BUSES.

Section 1023(h)(1) of the Intermodal Surface Transportation Efficiency Act of 1991, as amended (23 U.S.C. 127 note), is amended by striking "the date on which" and all that follows through "1995" and inserting "January 1, 2003".

TITLE VI—MOTOR CARRIER SAFETY

SUBTITLE A—STATE GRANTS AND OTHER COMMERCIAL VEHICLE PROGRAMS

SEC. 601. STATEMENT OF PURPOSE.

Chapter 311 is amended—

(1) by inserting before section 31101 the following:

"§ 31100. Purpose

"The purposes of this subchapter are—

"(1) to improve commercial motor vehicle and driver safety;

"(2) to facilitate efforts by the Secretary, States, and other political jurisdictions, working in partnership, to focus their resources on strategic safety investments;

"(3) to increase administrative flexibility;

"(4) to strengthen enforcement activities;

"(5) to invest in activities related to areas of the greatest crash reduction;

"(6) to identify high risk carriers and drivers; and

"(7) to improve information and analysis systems."; and

(2) by inserting before the item relating to section 31101 in the chapter analysis for chapter 311 the following:

"§ 31100. Purposes".

SEC. 602. GRANTS TO STATES.

(a) PERFORMANCE-BASED GRANTS.—Section 31102 is amended—

(1) by inserting "improving motor carrier safety and" in subsection (a) after "programs for"; and

(2) by striking "adopt and assume responsibility for enforcing" in the first sentence of paragraph (b)(1) and inserting "assume responsibility for improving motor carrier safety and to adopt and enforce".

(b) HAZARDOUS MATERIALS.—Section 31102 is amended—

(1) by inserting a comma and "hazardous materials transportation safety," after "commercial motor vehicle safety" in subsection (a); and

(2) by inserting a comma and "hazardous materials transportation safety," in the first sentence of subsection (b) after "commercial motor vehicle safety".

(c) CONTENTS OF STATE PLANS.—Section 31102(b)(1) is amended—

(1) by redesignating subparagraphs (A) through (Q) as subparagraphs (B) through (R), respectively;

(2) by inserting before subparagraph (B), as redesignated, the following:

"(A) implements performance-based activities by fiscal year 2003;"

(3) by inserting "(1)" in subparagraph (K), as redesignated, after "(c)"; and

(4) by striking subparagraphs (L) and (M), as redesignated, and inserting the following:

"(L) ensures consistent, effective, and reasonable sanctions;

"(M) ensures that the State agency will coordinate the plan, data collection, and information systems with the State highway safety programs under title 23;

(5) by striking subparagraph (O), as redesignated;

(6) by striking "activities—" in subparagraph (P), as redesignated, and inserting "activities in support of national priorities and performance goals including—";

(7) by striking "to remove" in clause (i) of subparagraph (P), as redesignated, and inserting "activities aimed at removing";

(8) by striking "to provide" in clause (ii) of subparagraph (P), as redesignated, and inserting "activities aimed at providing";

(9) by inserting "and" after the semicolon in clause (ii) of subparagraph (P), as redesignated;

(10) by striking clauses (iii) and (iv) of subparagraph (P), as redesignated;

(11) by inserting after clause (ii) of subparagraph (P), as redesignated, the following:

"(iii) interdiction activities affecting the transportation of controlled substances by commercial motor vehicle drivers and training on appropriate strategies for carrying out those interdiction activities."; and

(12) by striking subparagraph (Q), as redesignated, and redesignating subparagraph (R), as redesignated, as subparagraph (Q).

SEC. 603. FEDERAL SHARE.

Section 31103 is amended—

(1) by inserting before "The Secretary of Transportation" the following:

"(a) COMMERCIAL MOTOR VEHICLE SAFETY PROGRAMS AND ENFORCEMENT.—"

(2) by inserting "improve commercial motor vehicle safety and" in the first sentence before "enforce"; and

(3) by adding at the end the following:

"(b) OTHER ACTIVITIES.—The Secretary may reimburse State agencies, local governments, or other persons up to 100 percent for those activities identified in 31104(f)(2).".

SEC. 604. AVAILABILITY OF AMOUNTS.

(a) IN GENERAL.—Section 31104(a) is amended to read as follows:

"(a) GENERAL.—Subject to section 9503(c)(1) of the Internal Revenue Code of 1986 (26 U.S.C. 9503(c)(1)), there are available from the Highway Trust Fund (except the Mass Transit Account) for the Secretary of Transportation to incur obligations to carry out section 31102 of this title, not more than $83,000,000 for each of the fiscal years ending September 30, 1998, 1999, 2000, 2001, 2002, and 2003.".

(b) AVAILABILITY AND REALLOCATION.—Section 31104(b)(2) is amended to read as follows:

"(2) Amounts made available under section 4002(e)(1) and (2) of the Intermodal Surface Transportation Efficiency Act of 1991 before October 1, 1996, that are not obligated on October 1, 1997, are available for obligation under paragraph (1) of this subsection.".

(c) ALLOCATION CRITERIA.—Section 31104(f) is amended to read as follows:

"(f) ALLOCATION CRITERIA AND ELIGIBILITY.—

"(1) On October 1 of each fiscal year or as soon after that date as practicable, the Secretary, after making the deduction described in subsection (e) of this section, shall allocate, under criteria the Secretary prescribes through regulation, the amounts available for that fiscal year among the States with plans approved under section 31102 of this title.

"(2) The Secretary may designate up to 12 percent of such amounts to reimburse States for border commercial motor vehicle safety programs and enforcement and other high priority activities and projects. These amounts may be allocated by the Secretary to State agencies and local governments, that use trained and qualified officers and employees, and to other persons, in coordination with State motor vehicle safety agencies, for the improvement of commercial motor vehicle safety.".

(d) OTHER AMENDMENTS.—

(1) Section 31104 is amended by striking subsection (g) and redesignating subsection (h) as subsection (g).

(2) Section 31104(j) is amended by striking "tolerance" in the first sentence.

(3) Section 31104 is amended by striking subsection (i) and redesignating subsection (j) as subsection (h).

SEC. 605. INFORMATION SYSTEMS AND STRATEGIC SAFETY INITIATIVES.

Section 31106 is amended to read as follows:

"§ 31106. Information Systems and Strategic Safety Initiatives.

"(a) INFORMATION SYSTEMS.—

"(1) IN GENERAL.—The Secretary is authorized to establish motor carrier information systems and data analysis programs to support motor carrier regulatory and enforcement activities required under this title. In cooperation with the States, the information systems shall be coordinated into a network providing identification of motor carriers and drivers, registration and licensing tracing, and motor carrier and driver safety performance. The Secretary shall develop and maintain data analysis capacity and programs to provide the means to develop strategies to address safety problems and to use data analysis to measure the effectiveness of these strategies and related programs; to determine the cost effectiveness of State and Federal safety compliance, enforcement programs, and other countermeasures; to evaluate the safety fitness of motor carriers and drivers; to identify and collect necessary data; and to adapt, improve, and incorporate other information and information systems as deemed appropriate by the Secretary.

"(2) PERFORMANCE AND REGISTRATION INFORMATION SYSTEM MANAGEMENT.—

"(A) The Secretary may include as part of the information system authorized under paragraph (1), an information system, to be called the Performance and Registration Information System Management, to serve as a clearinghouse and repository of information related to State registration and licensing of commercial motor vehicles and the safety system of the commercial motor vehicle registrants or the motor carriers operating the vehicles. The Secretary may include in the system information on the safety fitness of each of the motor carriers and registrants and other information the Secretary considers appropriate, including information on vehicle, driver, and motor carrier safety performance.

"(B) The Secretary may prescribe technical and operational standards to ensure—

"(i) uniform, timely and accurate information collection and reporting by the States necessary to carry out this system;

"(ii) uniform State and Federal procedures and policies necessary to operate the Commercial Vehicle Information System; and

"(iii) the availability and reliability of the information to the States and the Secretary from the information system.

"(C) The system shall link the Federal motor carrier safety systems with State driver and commercial vehicle registration and licensing systems, and shall be designed—

"(i) to enable a State, when issuing license plates or throughout the registration period for a commercial motor vehicle, to determine, through the use of the information system, the safety fitness of the registrant or motor carrier;

"(ii) to allow a State to decide, in cooperation with the Secretary, the types of sanctions that may be imposed on the registrant or motor carrier, or the types of conditions or limitations that may be imposed on the operations of the registrant or motor carrier that will ensure the safety fitness of the registrant or motor carrier;

"(iii) to monitor the safety fitness of the registrant or motor carrier during the registration period; and

"(iv) to require the State, as a condition of participation in the system, to implement uniform policies, procedures, and standards, and to possess or seek authority to impose commercial motor vehicle registration sanctions on the basis of a Federal safety fitness determination.

"(D) Of the amounts available for expenditure under this section, not more than $6,000,000 in each of fiscal years 1998, 1999, 2000, 2001, 2002, and 2003 may be made available to carry out paragraph (a)(2) of this section. The Secretary may authorize the operation of the information system by contract, through an agreement with one or more States, or by designating, after consultation with the States, a third party that represents the interests of the States.

"(b) COMMERCIAL MOTOR VEHICLE DRIVER SAFETY PROGRAM.—The Secretary is authorized to establish a program focusing on improving commercial motor vehicle driver safety. The objectives of the program shall include—

"(1) enhancing the exchange of driver licensing information among the States and among the States, the Federal Government, and foreign countries;

"(2) providing information to the judicial system on the commercial motor vehicle driver licensing program; and

"(3) evaluating any aspect of driver performance and safety as deemed appropriate by the Secretary.

"(c) COOPERATIVE AGREEMENTS, GRANTS, AND CONTRACTS.—The Secretary may carry out this section either independently or in cooperation with other Federal departments, agencies, and instrumentalities, or by making grants to and entering into contracts and cooperative agreements with States, localities, associations, institutions, corporations (profit or nonprofit) or other persons.".

SEC. 606. AUTHORIZATION OF APPROPRIATIONS.

Section 31107 is amended to read as follows:

"§ 31107. Authorization of appropriations for information systems and strategic safety initiatives.

"(a) GENERAL.—There shall be available from the Highway Trust Fund (other than the Mass Transit Account) for the Secretary to incur obligations to carry out section 31106 of this title the sum of $17 million for each of the fiscal years 1998, 1999, 2000, 2001, 2002, and 2003. The amounts made available under this subsection shall remain available until expended.

"(b) CONTRACT AUTHORITY.—Approval by the Secretary of a grant under this section imposes upon the United States Government a contractual obligation for payment of the Government's share of costs incurred in carrying out the objectives of the grant.".

SEC. 607. CONFORMING AMENDMENTS.

The chapter analysis for chapter 311 is amended—

(1) by striking the heading for subchapter I and inserting the following:

"SUBCHAPTER I. STATE GRANTS AND OTHER COMMERCIAL MOTOR VEHICLE PROGRAMS.";

and

(2) by striking the items relating to sections 31106 and 31107 and inserting the following:

"31106. Information Systems and Strategic Safety Initiatives

"31107. Authorization of Appropriations for Information Systems and Strategic Safety Initiatives.".

SUBTITLE B—MOTOR CARRIER SAFETY ACT OF 1997

SEC. 651. SHORT TITLE.

This subtitle may be cited as the "Motor Carrier Safety Act of 1997".

SEC. 652. SAFETY REGULATIONS.

(a) REPEAL OF REVIEW PANEL.—Subchapter III of chapter 311 is amended—

(1) by striking sections 31134 and 31140; and

(2) by striking the items relating to sections 31134 and 31140 in the chapter analysis for that chapter.

(b) REVIEW PROCEDURE.—

(1) IN GENERAL.—Section 31141 is amended—

(A) by striking subsection (b) and redesignating subsections (c), (d), (e), (f), (g), and (h) as subsections (b), (c), (d), (e), (f), and (g), respectively;

(B) by striking so much subsection (b), as redesignated, as precedes paragraph (2) and inserting the following:

"(b) REVIEW AND DECISIONS BY THE SECRETARY.—

"(1) The Secretary shall review the laws and regulations on commercial motor vehicle safety in effect in each State, and decide—

"(A) whether the State law or regulation—

"(i) has the same effect as a regulation prescribed by the Secretary under section 31136 of this title;

"(ii) is less stringent than that regulation; or

"(iii) is additional to or more stringent than that regulation; and

"(B) for each State law or regulation which is additional to or more stringent than the regulation prescribed by the Secretary, whether—

"(i) the State law or regulation has no safety benefit;

"(ii) the State law or regulation is incompatible with the regulation prescribed by the Secretary under section 31136 of this title; or

"(iii) enforcement of the State law or regulation would cause an unreasonable burden on interstate commerce.";

(C) by striking paragraph (5) of subsection (b)(5), as redesignated, and inserting the following:

"(5) In deciding under paragraph (4) of this subsection whether a State law or regulation will cause an unreasonable burden on interstate commerce, the Secretary may consider the effect on interstate commerce of implementation of all similar laws and regulations of other States.";

(D) by striking subsections (d) and (e), as redesignated, and inserting the following:

"(d) WRITTEN NOTICE OF DECISIONS.—The Secretary shall give written notice of the decision under subsection (b) of this section to the State concerned."; and

(E) by redesignating subsections (f) and (g), as redesignated, as subsections (e) and (f), respectively.

(2) CONFORMING CHANGES.—

(A) The caption of section 31141 of such title is amended to read as follows:

"§ 31141. Preemption of State laws and regulations".

(B) The chapter analysis of chapter 311 of such title is amended by striking the item relating to section 31141 and inserting the following:

"31141. Preemption of State laws and regulations".

(c) INSPECTION OF VEHICLES.—

(1) Section 31142 is amended—

(A) by striking "part 393 of title 49, Code of Federal Regulations" in subsection (a) and inserting "regulations issued pursuant to section 31135 of this title"; and

(B) by striking subsection (c)(1)(C) and inserting the following:

"(C) prevent a State from participating in the activities of a voluntary group of States enforcing a program for inspection of commercial motor vehicles; or".

(2) Subchapter IV of chapter 311 is amended—

(A) by striking sections 31161 and 31162; and

(B) by striking the items relating to sections 31161 and 31162 in the chapter analysis for that chapter.

(3) Section 31102(b)(1) is amended—

(A) by striking "and" at the end of subparagraph (P);

(B) by striking "thereunder." in subparagraph (Q) and inserting "thereunder; and"; and

(C) by adding at the end thereof the following:

"(R) provides that the State will establish a program: (i) to ensure the proper and timely correction of commercial motor vehicle safety violations noted during an inspection carried out with funds authorized under section 31104 of this title; and (ii) to ensure that information is exchanged among the States in a timely manner.".

(d) SAFETY FITNESS OF OWNERS AND OPERATORS.—Section 31144 is amended to read as follows:

"§ 31142. Safety fitness of owners and operators

"(a) PROCEDURE.—The Secretary of Transportation shall maintain in regulation a procedure for determining the safety fitness of owners and operators of commercial motor vehicles, including persons seeking new or additional operating authority as motor carriers under section 13902 of this title. The procedure shall include—

"(1) specific initial and continuing requirements to be met by the owners, operators, and other persons to demonstrate safety fitness;

"(2) a means of deciding whether the owners, operators, or other persons meet the safety requirements under paragraph (1) of this subsection; and

"(3) specific time deadlines for action by the Secretary in making fitness decisions.

"(b) PROHIBITED TRANSPORTATION.—Except as provided in sections 521(b)(5)(A) and 5113 of this title, a motor carrier that fails to meet the safety fitness requirements established under subsection (a) of this section may not operate in interstate commerce beginning on the 61st day after the date of the determination by the Secretary that the motor carrier fails to meet the safety fitness requirements and until the motor carrier meets the safety fitness requirements. The Secretary may, for good cause shown, provide a carrier with up to an additional 60 days to meet the safety fitness requirements.

"(c) RATING REVIEW.—The Secretary shall review the factors that resulted in a motor carrier failing to meet the safety fitness requirements not later than 45 days after the motor carrier requests a review.

"(d) GOVERNMENT USE PROHIBITED.—A department, agency, or instrumentality of the United States Government may not use a motor carrier that does not meet the safety fitness requirements.

"(e) PUBLIC AVAILABILITY; UPDATING OF FITNESS DETERMINATIONS.—The Secretary shall amend the motor carrier safety regulations in subchapter B of chapter III of title 49, Code of Federal Regulations, to establish a system to make readily available to the public, and to update periodically, the safety fitness determinations of motor carriers made by the Secretary.

"(f) PENALTIES.—The Secretary shall prescribe regulations setting penalties for violations of this section consistent with section 521 of this title.".

(e) SAFETY FITNESS OF PASSENGER AND HAZARDOUS MATERIAL CARRIERS.—

(1) IN GENERAL.—Section 5113 is amended—

(A) by striking subsection (a) and inserting the following:

"(a) PROHIBITED TRANSPORTATION.—

"(1) A motor carrier that fails to meet the safety fitness requirements established under subsection 31144(a) of this title may not operate a commercial motor vehicle (as defined in section 31132 of this title)—

"(A) to transport hazardous material for which placarding of a motor vehicle is required under regulations prescribed under this chapter; or

"(B) to transport more than 15 individuals.

"(2) The prohibition in paragraph (1) of this subsection applies beginning on the 46th day after the date on which the Secretary determines that a motor carrier fails to meet the safety fitness requirements and applies until the motor carrier meets the safety fitness requirements.";

(B) by striking "RATING" in the caption of subsection (b) and inserting "FITNESS";

(C) by striking "receiving and unsatisfactory rating" in subsection (b) and inserting 'failing to meet the safety fitness requirements";

(D) by striking "has an unsatisfactory rating from the Secretary" in subsection (c) and inserting "failed to meet the safety fitness requirements"; and

(E) by striking "RATINGS" in the caption of subsection (d) and inserting "Fitness Determination";

(F) by striking ", in consultation with the Interstate Commerce Commission," in subsection section (d); and

(G) by striking "ratings of motor carriers that have unsatisfactory ratings from" in subsection (d) and inserting "fitness determinations of motor carriers made by".

(2) CONFORMING AMENDMENTS.—

(A) The caption of section 5113 of such chapter is amended to read as follows:

"§ 5113. Safety fitness of passenger and hazardous material carriers".

(B) The chapter analysis for such chapter is amended by striking the item relating to section 5113 and inserting the following:

"5113. Safety fitness of passenger and hazardous material carriers".

(f) DEFINITIONS.—

(1) Section 31101(1) is amended—

(A) by inserting "or gross vehicle weight, whichever is greater," after "rating" in subparagraph (A);

(ii) by striking "10,000" and inserting "10,001";

(B) by striking "10" in subparagraph (B) and inserting "15"; and

(C) by inserting "and transported in a quantity requiring placarding under regulations prescribed by the Secretary under section 5103" after "title" in subparagraph (C).

(2) Section 31132 is amended—

(A) by inserting "or gross vehicle weight, whichever is greater," after "rating" in paragraph (1)(A); and

(B) by adding at the end of paragraph (3) the following:

"For purposes of this paragraph, the term 'business affecting interstate commerce' means a business employing a commercial motor vehicle in interstate commerce and includes all operations of the business in intrastate commerce which use vehicles otherwise defined as commercial motor vehicles under paragraph (1) of this section.".

(g) MINIMUM FINANCIAL RESPONSIBILITY FOR TRANSPORTING PETROLEUM PRODUCTS.—Section 31139(c)(2)(A)(i) is amended by inserting "or petroleum products classified as hazardous materials" after "Administrator)".

(h) EMPLOYEE PROTECTIONS.—Section 31105 is amended—

(1) by adding at the end of subsection (d) the following: "An employee may also independently bring a civil action to enforce an order issued under subsection (b) of this section in the district court of the United

States for the judicial circuit in which the violation occurred."; and

(2) by adding at the end thereof the following:

"(e) ATTENDANCE AND TESTIMONY OF WITNESSES AND PRODUCTION OF EVIDENCE; ENFORCEMENT OF SUBPOENA.—In carrying out the authority under this section, the Secretary may require the attendance and testimony of witnesses and the production of evidence under oath. Witnesses shall be paid the same fees and mileage that are paid witnesses in the courts of the United States. In cases of failure or refusal by any person to obey such an order, any district court of the United States for the jurisdiction in which such person is found, resides, or transacts business, shall have jurisdiction to issue, upon application by the Secretary, an order requiring such person to appear and produce evidence and to give testimony relating to the matter under investigation or in question. Any failure to obey such order of the court may be punished by said court as a contempt thereof.".

SEC. 653. COMMERCIAL MOTOR VEHICLE OPERATORS.

(a) REPEAL OF OBSOLETE GRANT PROGRAMS.—Chapter 313 is amended—

(1) by striking sections 31312 and 31313; and

(2) by striking the items relating to sections 31312 and 31313 in the chapter analysis for that chapter.

(b) COMMERCIAL DRIVER'S LICENSE REQUIREMENT.—

(1) IN GENERAL.—Section 31302 is amended to read as follows:

"§ 31302. Commercial driver's license requirement

"No individual shall operate a commercial motor vehicle without a commercial driver's license issued according to section 31308 of this title.".

(2) CONFORMING AMENDMENTS—

(A) The chapter analysis for that chapter is amended by striking the item relating to section 31302 and inserting the following:

"31302. Commercial driver's license requirement".

(B) Section 31305(a) is amended by redesignating paragraphs (2) through (8) as paragraphs (3) through (9), respectively, and by inserting after paragraph (1) the following:

"(2) may establish performance based testing and licensing standards that more accurately measure and reflect an individual's knowledge and skills as an operator;".

(c) COMMERCIAL DRIVER'S LICENSE INFORMATION SYSTEM.—Section 31309 is amended—

(1) by striking "make an agreement under subsection (b) of this section for the operation of, or establish under subsection (c) of this section," in subsection (a) and inserting "maintain";

(2) by striking subsections (b) and (c) and redesignating subsections (d), (e), and (f) as subsections (b), (c), and (d) respectively;

(3) by striking "Not later than December 31, 1990, the" in paragraph (2) of subsection (b), as redesignated, and inserting "The"; and

(4) by striking "shall" in paragraph (2) of subsection (b), and redesignated, and inserting "may";

(5) by inserting after the caption of subsection (c), as designated, the following: "Information about a driver in the information system may be made available under the following circumstances:"; and

(5) by starting a new paragraph with "(1) On request" and indenting the paragraph 2 ems from the lefthand margin.

(d) REQUIREMENTS FOR STATE PARTICIPATION.—Section 31311(a) is amended—

(1) by striking "31310(b)–(e)" in paragraph (15) and inserting "31310(b)–(e), and (g)(1)(A) and (2)";

(2) by striking paragraph (17); and

(3) by redesignating paragraph (18) as paragraph (17).

(e) WITHHOLDING AMOUNTS FOR STATE NONCOMPLIANCE.—Section 31314 is amended—

(1) by striking ", (2), (5), and (6)" and inserting "(3), and (5)"; and

(2) by striking "1992" in subsections (a) and (b) and inserting "1995";

(3) by striking paragraph (1) of subsection (c);

(4) by striking "(2)" in subsection (c)(2);

(5) by striking subsection (d); and

(6) by redesignating subsection (e) as subsection 9d).

(f) COMMERCIAL MOTOR VEHICLE DEFINED.—Section 31301 is amended—

(1) by inserting "or gross vehicle weight, whichever is greater," after "rating" each place it appears in paragraph (4)(A); and

(2) by inserting "is" in paragraph (4)(C)(ii) before "transporting" each place it appears and before "not otherwise".

(g) SAFETY PERFORMANCE HISTORY OF NEW DRIVERS; LIMITATION ON LIABILITY.—

"(1) IN GENERAL.—Chapter 5 is amended by adding at the end thereof the following:

§ 508. Safety performance history of new drivers; limitation on liability

"(a) LIMITATION ON LIABILITY.—No action or proceeding for defamation, invasion of privacy, or interference with a contract that is based on the furnishing or use of safety performance records in accordance with regulations issued by the Secretary may be brought against—

"(1) a motor carrier requesting the safety performance records of an individual under consideration for employment as a commercial motor vehicle driver as required by and in accordance with regulations issued by the Secretary;

"(2) a person who has complied with such a request; or

"(3) the agents or insurers of a person described in paragraph (1) or (2) of this subsection.

"(b) RESTRICTIONS.—

"(1) Subsection (a) does not apply unless—

"(A) the motor carrier requesting the safety performance records at issue, the person complying with such a request, and their agents have taken all precautions reasonably necessary to ensure the accuracy of the records and have fully complied with the regulations issued by the Secretary in using and furnishing the records, including the requirement that the individual who is the subject of the records be afforded a reasonable opportunity to review and comment on the records;

"(B) the motor carrier requesting the safety performance records, the person complying with such a request, their agents, and their insurers, have taken all precautions reasonably necessary to protect the privacy of the individual who is the subject of the records, including protecting the records from disclosure to any person, except for their insurers, not directly involved in forwarding the records or deciding whether to hire that individual; and

"(C) the motor carrier requesting the safety performance records have used those records only to assess the safety performance of the individual who is the subject of those records in deciding whether to hire that individual.

"(2) Subsection (a) does not apply to persons who knowingly furnish false information.

"(c) PREEMPTION OF STATE AND LOCAL LAW.—No State or political subdivision thereof may enact, prescribe, issue, continue in effect, or enforce any law (including any regulation, standard, or other provision having the force and effect of law) that prohibits, penalizes, or imposes liability for furnishing or using safety performance records in accordance with regulations issued by the Secretary.".

(2) CONFORMING AMENDMENT.—The chapter analysis for that chapter is amended by inserting after the item relating to section 507 the following:

"508. Safety performance history of new drivers; limitation on liability".

SEC. 654. PENALTIES.

(a) NOTIFICATION OF VIOLATIONS AND ENFORCEMENT PROCEDURES.—Section 521(b)(1) is amended—

(1) by inserting: "with the exception of reporting and recordkeeping violations," in the first sentence of subparagraph (A) after "under any of those provisions,";

(2) by striking "fix a reasonable time for abatement of the violation," in the third sentence of subparagraph (A);

(3) by striking "(A)" in subparagraph (A); and

(4) by striking subparagraph (B).

(b) CIVIL PENALTIES.—Section 521(b)(2) is amended—

(1) by striking subparagraph (A) and inserting the following:

"(A) IN GENERAL.—Except as otherwise provided in this subsection, any person who is determined by the Secretary, after notice and opportunity for a hearing, to have committed an act which is a violation of regulations issued by the Secretary under subchapter III of chapter 311 (except sections 31137 and 31138) or section 31502 of this title shall be liable to the United States for a civil penalty in an amount not to exceed $10,000 for each offense. Notwithstanding any other provision of this section (except subparagraph (C)), no civil penalty shall be assessed under this section against an employee for a violation in an amount exceeding $2,500.";

(2) by redesignating subparagraphs (B) and (C) as subparagraphs (C) and (D), respectively; and

(3) by inserting after subparagraph (A) the following:

"(B) RECORDKEEPING AND REPORTING VIOLATIONS.—

"(i) A person required to make a report to the Secretary, answer a question, or make, prepare, or preserve a record under section 504 of this title or under any regulation issued by the Secretary pursuant to subchapter III of chapter 311 (except sections 31137 and 31138) or section 31502 of this title about transportation by motor carrier, motor carrier of migrant workers, or motor private carrier, or an officer, agent, or employee of that person, who—

"(I) does not make that report;

"(II) does not specifically, completely, and truthfully answer that question in 30 days from the date the Secretary requires the question to be answered; or

"(III) does not make, prepare, or preserve that record in the form and manner prescribed by the Secretary,

shall be liable to the United States for a civil penalty in an amount not to exceed $500 for each offense, and each day of the violation shall constitute a separate offense, except that the total of all civil penalties assessed against any violator for all offenses related to any single violation shall not exceed $5,000.

"(ii) Any such person, or an officer, agent, or employee of that person, who—

"(I) knowingly falsifies, destroys, mutilates, or changes a required report or record;

"(II) knowingly files a false report with the Secretary;

"(III) knowingly makes or causes or permits to be made a false or incomplete entry in that record about an operation or business fact or transaction; or

"(IV) knowingly makes, prepares, or preserves a record in violation of a regulation or order of the Secretary,

shall be liable to the United States for a civil penalty in an amount not to exceed $5,000 for each violation, provided that any such action can be shown to have misrepresented a fact that constitutes a violation other than a reporting or recordkeeping violation.".

(c) PENALTY FOR AIDING AND ABETTING.—

(1) IN GENERAL.—Chapter 5 is amended by adding at the end thereof the following:

"§ 527. Aiding and abetting

"A person who knowingly aids, abets, counsels, commands, induces, or procures a violation of a regulation or order issued by the Secretary under chapter 311 or section 31502 of this title shall be subject to civil and criminal penalties under this chapter to the same extent as the motor carrier or driver who commits a violation.".

(2) Conforming amendment.—The chapter analysis for that chapter is amended by inserting after the item relating to section 526 the following:

"527. Aiding and abetting".

(d) AUTHORITY TO INVESTIGATE.—Section 506(a) is amended—

(1) by inserting ", freight forwarder, shipper, broker, consignee, or other person" after "motor private carrier";

(2) by striking "or" after "migrant workers"; and

(3) by striking the last sentence.

(e) ENFORCEMENT.—Section 507(a)(2) is amended—

(1) by inserting ", shipper, broker, consignee, or other person" after "freight forwarder"; and

(2) by striking "or" after "motor private carrier".

(f) CONFORMING AMENDMENTS.—

(1) Section 503(a) is amended by striking "(except a motor contract carrier)".

(2) Section 522 is amended—

(A) by striking "(a)" in subsection (a); and

(B) by striking subsection (b).

SEC. 655. INTERNATIONAL REGISTRATION PLAN AND INTERNATIONAL FUEL TAX AGREEMENT.

Chapter 317 is amended—

(1) by striking sections 31702, 31703, and 31708; and

(2) by striking the items relating to sections 31702, 31703, and 31708 in the chapter analysis for that chapter.

SEC. 656. STUDY OF ADEQUACY OF PARKING FACILITIES.

The Secretary shall conduct a study to determine the location and quantity of parking facilities at commercial truck stops and travel plazas and public rest areas that could be used by motor carriers to comply with Federal hours-of-service rules. The study shall include an inventory of current facilities serving the National Highway System, analyze where shortages exist or are projected to exist, and propose a plan to reduce the shortages. The study may be carried out in cooperation with research entities representing the motor carrier and travel plaza industry.

SEC. 657. NATIONAL MINIMUM DRINKING AGE—TECHNICAL CORRECTIONS.

Section 158 of title 23, United States Code, is amended—

(1) by striking "104(b)(2), 104(b)(5), and 104(b)(6)" each place it appears in subsection (a) and inserting "104(b)(3), and 104(b)(5)(B)"; and

(2) by striking subsection (b) and inserting the following:

"(b) AVAILABILITY OF WITHHELD FUNDS.—No funds withheld under this section from apportionment to any State after September 31, 1988, shall be available for apportionment to such State.".

TITLE VII—RESEARCH

SUBTITLE A—PROGRAMS AND ACTIVITIES

SEC. 701. TRANSPORTATION RESEARCH AND DEVELOPMENT.

Subtitle III is amended by adding a new chapter 52 to read as follows:

"CHAPTER 52—RESEARCH AND DEVELOPMENT

"SUBCHAPTER I—GENERAL AND ADMINISTRATIVE

"Sec.

"5201. Transactional authority.

"5202. Reliance on competition.

"5203. Authorizations.

"SUBCHAPTER II—PLANNING

"5221. Planning.

"5222. Implementation.

"SUBCHAPTER III—ADVANCED TRANSPORTATION RESEARCH AND DEVELOPMENT PROGRAMS

"5231. Intermodal transportation research and development program.

"SUBCHAPTER IV—PROFESSIONAL CAPACITY BUILDING

"5241. National university transportation centers.

"SUBCHAPTER I—GENERAL AND ADMINISTRATIVE

"§ 5201. Transactional authority

"To carry out this chapter, the Secretary of Transportation may enter into contracts, grants, cooperative agreements, and other transactions with any person, agency, or instrumentality of the United States, any unit of State or local government, any educational institution, and any other entity to further the objectives of this chapter.

"§ 5202. Reliance on competition

"The Secretary of Transportation may award grants or contracts to university transportation centers established through competition under section 5241 of this title without further competition. A noncompetitive award authorized by this section must be for transportation research, development, education or training consistent with the strategic plan approved as part of the selection process for the center.

"§ 5203. Authorizations

"(a) There is available from the Highway Trust Fund, other than the Mass Transit Account, for the Secretary of Transportation $10,000,000 for fiscal year 1998, $15,000,000 for fiscal year 1999, $20,000,000 for fiscal year 2000, $25,000,000, for fiscal year 2001, $30,000,000 for fiscal year 2002, and $35,000,000 for fiscal year 2003, to carry out subchapters II and III of this chapter.

"(b) CONTRACT AUTHORITY AND AVAILABILITY OF FUNDS.—Funds authorized by this section shall be available for obligation in the same manner as if such funds were apportioned under chapter 1 of title 23, United States Code; except that any Federal share of the cost of any activity under subchapters II and III of this chapter shall be in accordance with the provision of those subchapters, and such funds shall remain available for obligation for a period of 2 years after the last day of the fiscal year for which such funds are authorized.

"SUBCHAPTER II—PLANNING

"§ 5221. Planning

"(a) AUTHORITY.—The Secretary of Transportation shall establish a strategic planning process to determine national transportation research and technology priorities, coordinate Federal transportation research and technology activities, and measure the impact of these research and technology investments on the performance of the national transportation system.

"(b) CRITERIA.—In developing strategic plans for intermodal, multimodal, and modal research and technology, the Secretary shall consider the need to:

"(1) Coordinate and link Federal, regional, state, and metropolitan planning activities;

"(2) Ensure that standard-setting in transportation is compatible with the concept of a seamless transportation system;

"(3) Encourage innovation;

"(4) Identify and facilitate initiatives and partnerships to deploy advanced technology with the potential for improving transportation systems over ten years;

"(5) Identify core research to support the Nation's long-term transportation technology and system needs, including safety;

"(6) Ensure the Nation's ability to compete on a global basis; and

"(7) Provide a means of assessing the impact of Federal research and technology investments on the performance of the Nation's transportation system.

"§ 5222. Implementation

"In implementing section 5221, the Secretary of Transportation shall adopt such policies and procedures as appropriate—

"(1) to provide for consultation among the Administrators of the operating administrations of the Department and other Federal officials with responsibility for research important to national transportation needs;

"(2) to promote the maximum exchange of information on transportation-related research and development activities among the operating elements of the Department, other Federal departments and agencies, state and local governments, colleges and universities, industry and other private and public sector organizations engaged in such activities;

"(3) to ensure that the Department's research and development programs do not duplicate other Federal research and development programs;

"(4) to ensure that the Department's research and development activities make appropriate use of the talents, skills, and abilities residing at the Federal laboratories and leverage, to the extent practical, the research capabilities of institutions of higher education and private industry; and

"(5) to validate the scientific and technical assumptions underlying the Department's research and technology plans.

"SUBCHAPTER III—ADVANCED TRANSPORTATION RESEARCH AND DEVELOPMENT PROGRAMS

"§ 5231. Intermodal transportation research and development program

"(a) ESTABLISHMENT.—The Secretary of Transportation shall establish a program to be known as the 'Intermodal Transportation Research and Development Program'.

"(b) PURPOSES.—The purposes of the Intermodal Transportation Research and Development Program are to—

"(1) enhance the capabilities of Federal agencies in meeting national transportation needs as defined by their missions through

support for basic and applied research and development impacting the various modes of transportation including research and development in safety, security, mobility, energy and environment, information and physical infrastructure, and industrial design;

"(2) identify and apply innovative research performed by the Government, academia and the private sector to the intermodal and multimodal transportation research, development, and deployment needs of the Department and the Nation's transportation enterprise;

"(3) identify and leverage research, technologies, and other information developed by the Government for national defense and non-defense purposes for the benefit of public, commercial and defense transportation sectors; and

"(4) share information, analytical and research capabilities among Federal, state and local governments, colleges and universities, and private organizations to advance their transportation research, development and deployment needs.

"SUBCHAPTER IV—PROFESSIONAL CAPACITY BUILDING

"§ 5241. National university transportation centers

"(a) REGIONALLY-BASED CENTERS.—The Secretary of Transportation shall make grants to nonprofit institutions of higher learning to establish and operate one university transportation center in each of the ten (10) United States Government regions that comprise the Standard Federal Regional Boundary System.

"(b) OTHER CENTERS.—The Secretary may make grants to non-profit institutions of higher learning to establish and operate up to ten other university transportation centers to address transportation management, research and development, with special attention to increasing the number of highly skilled minority individuals and women entering the transportation workforce; transportation and industrial productivity; rural transportation; advanced transportation technology; international transportation policy studies; transportation infrastructure technology; urban transportation research; transportation and the environment; surface transportation safety; or such other national transportation issues designated by the Secretary.

"(c) SELECTION CRITERIA.—A nonprofit institution of higher learning interested in receiving a grant under this section shall submit an application to the Secretary in the way and containing the information the Secretary prescribes. The Secretary shall select each recipient through a competitive process on the basis of the following:

"(1) for regionally-based centers, the location of the center within the Federal Region to be served;

"(2) the demonstrated research and extension resources available to the recipient to carry out this section;

"(3) the capability of the recipient to provide leadership in making national and regional contributions to the solution of immediate and long-range transportation problems;

"(4) the recipient's establishment of a surface transportation program encompassing several modes of transportation;

"(5) the recipient's demonstrated commitment of at least $200,000 in regularly budgeted institutional amounts each year to support ongoing transportation research and education programs;

"(6) the recipient's demonstrated ability to disseminate results of transportation research and education programs through a statewide or region-wide continuing education program; and

"(7) the strategic plan the recipient proposes to carry out under the grant.

"(d) OBJECTIVES.—Each university transportation center shall conduct:

"(1) basic and applied research, the products of which are judged by peers or other experts in the field to advance the body of knowledge in transportation;

"(2) an education program that includes multi-disciplinary course work and participation in research; and

"(3) an ongoing program of technology transfer that makes research results available to potential users in a form that can be implemented, utilized or otherwise applied.

"(e) MAINTENANCE OF EFFORT.—Before making a grant under this section, the Secretary may require the recipient to make an agreement with the Secretary to ensure that the recipient will maintain total expenditures from all other sources to establish and operate a university transportation center and related research activities at a level at least equal to the average level of those expenditures in its 2 fiscal years prior to award of a grant under this section.

"(f) FEDERAL SHARE.—A grant under this section is for 50 percent of the cost of establishing and operating the university transportation center and related research activities the recipient carries out. The non-Federal share may include funds provided to a recipient under section 5307 or 5311 of this title.

"(g) PROGRAM COORDINATION.—The Secretary shall provide for coordinating research, education, training, and technology transfer activities that grant recipients carry out under this section, the dissemination of the results of the research, and the establishment and operation of a clearinghouse. At least annually, the Secretary shall review and evaluate programs the grant recipients carry out. The Secretary may use not more than one percent of amounts made available from Government sources to carry out this subsection.

"(h) AMOUNTS AVAILABLE FOR TECHNOLOGY TRANSFER ACTIVITIES.—At least 5 percent of the amounts made available to carry out this section in a fiscal year are available to carry out technology transfer activities.

"(i) LIMITTION OF AVAILABILITY OF FUNDS.—Funds made available to carry out this program remain available for obligation for a period of 2 years after the last day of the fiscal year for which such funds are authorized.".

SEC. 702. BUREAU OF TRANSPORTATION STATISTICS.

(a) Section 111(b)(4) is amended by striking the second sentence.

(b) Section 111(c)(1) is amended—

(1) by striking "and" after the semicolon in subparagraph (J);

(2) by striking "system." in subparagraph (K) and inserting "system' and"; and

(3) by adding at the end of the following:

"(L) transportation-related variables influencing global competitiveness.".

(c) Section 111(c)(2) is amended—

(1) by striking "national transportation system" in the first sentence and inserting "nation's transportation systems";

(2) by striking subparagraph (A) and inserting the following:

"(A) be coordinated with efforts to measure outputs and outcomes of the Department of Transportation and the nation's transportation systems under the Government Performance and Results Act;"; and

(3) by inserting a comma and "made relevant to the States and metropolitan planning organizations," after "accuracy" in subparagraph (C).

(d) Section 111(c)(3) is amended by adding at the end the following: "The Bureau shall review and report to the Secretary of Transportation on the sources and reliability of the statistics proposed by the modal administrations to measure outputs and outcomes as required by the Government Performance and Results Act, and shall undertake such other reviews of the sources and reliability of other data collected by the modal administrations as shall be requested by the Secretary.".

(e) Section 111(c) is amended by adding at the end the following:

"(7) SUPPORTING TRANSPORTATION DECISION MAKING.—Ensuring that the statistics compiled under paragraph (1) of this subsection are relevant for transportation decisions by Federal, State, and local governments, transportation-related associations, private business, and consumers.".

(f) Section 111 is amended—

(1) by redesignating subsections (d), (e) and (f) as subsections (h), (i) and (j), respectively;

(2) by striking subsection (g); and

(3) by inserting after subsection (c) the following:

"(d) INTERMODAL TRANSPORTATION DATA BASE.—The Director shall establish and maintain an Intermodal Transportation Data Base, in consultation with the Assistant Secretaries and operating Administrations of the Department. This data base shall be suitable for analyses conducted by the Federal Government, the States, and metropolitan planning organizations. The data base shall include but not be limited to—

"(1) information on the volumes and patterns of movement of goods, including local, interregional, and international movements, by all modes of transportation and intermodal combinations, and by relevant classification;

"(2) information on the volumes and patterns of movement of people, including local, interregional, and international movements, by all modes of transportation and intermodal combinations, and by relevant classification; and

"(3) information on the location and connectivity of transportation facilities and services and a national accounting of expenditures and capital stocks on each mode of transportation and intermodal combinations.

"(e) NATIONAL TRANSPORTATION LIBRARY.—The Director shall establish and maintain the National Transportation Library, containing a collection of statistical and other information needed for transportation decision making at the Federal, State, and local levels. The Bureau shall facilitate and promote access to the Library, with the goal of improving the ability of the transportation community to share information and the Bureau to make statistics readily accessible under paragraph (c)(5) of this section. The Bureau shall work with other transportation libraries and other transportation information providers, both public and private, to achieve this goal.

"(f) NATIONAL TRANSPORTATION ATLAS DATA BASE.—The Director shall develop and maintain geo-spatial data bases depicting transportation networks; flows of people, goods, vehicles, and craft over those networks; and social, economic, and environmental conditions affecting or affected by those networks. These data based shall be able to support intermodal network analysis.

"(g) RESEARCH AND DEVELOPMENT GRANTS.—The Secretary may make grants to, or enter into cooperative agreements of contracts with, public and nonprofit private entities (including, but not limited to, State Departments of Transportation, metropolitan planning organizations, Transportation Research Centers, and universities) for—

"(1) the investigation of the subjects listed in subsection (c)(1) of this section and for research and development of new methods of data collection, management, integration, dissemination, interpretation, and analysis;

"(2) development of electronic clearinghouses of transportation data and related information, as part of the National Transportation Library under subsection (e) of this section; and

"(3) development and improvement of methods for sharing geographic data, in support of the National Transportation Atlas Data Base under subsection (f) and the National Spatial Data Infrastructure.".

(g) Section 111(i), as redesignated, is amended to read as follows:

"(i) PROHIBITION ON CERTAIN DISCLOSURES.—

"(1) An officer or employee of the Bureau may not—

"(A) make any publication in which the data furnished by a person under paragraph (c)(2) can be identified;

"(B) use the information furnished under the provisions of paragraph (c)(2) of this section for a non-statistical purpose; or

"(C) permit anyone other than the individuals authorized by the Director to examine individual reports furnished under paragraph (c)(2) of this section.

"(2) No department, bureau, agency, officer, or employee of the United States except the Director of the Bureau of Transportation Statistics in carrying out the purpose of this section, shall require, for any reason, copies of reports which have been filed under paragraph (c)(2) with the Bureau of Transportation Statistics or retained by any individual respondent. Copies of such reports which have been so retained or filed with the Bureau or any of its employees, contractors, or agents shall be immune from legal process, and shall not, without the consent of the individual concerned, be admitted as evidence or used for any purpose in any action, suit, or other judicial or administrative proceeding. This paragraph shall only apply to individually identifiable data.

"(3) In a case in which the Bureau is authorized by statute to collect data or information for nonstatistical purposes, the Director shall clearly distinguish the collection of such data or information by rule and on the collection instrument to inform a respondent requested or required to supply the data or information of the nonstatistical purposes.".

(h) Section 111(j), as redesignated, is amended by striking "On or before January 1, 1994, and annually thereafter, the" and inserting "The".

(i) Section 111 is amended by adding at the end the following:

"(k) DATA PRODUCT SALES PROCEEDS.—Notwithstanding section 3302 of title 31, United States Code, funds received by the Bureau of Transportation Statistics from the sale of data products may be credited to the Highway Trust Fund (other than the Mass Transit Account) for the purpose of reimbursing the Bureau for such expenses.

"(l)(1) FUNDING.—There are authorized to be appropriated out of the Highway Trust Fund (other than the Mass Transit Account), $31,000,000 for each of fiscal years 1998, 1999, 2000, 2001, 2002 and 2003 to carry out this section, provided that amounts for activities under subsection (g) of this section may not exceed $500,000 per year. Amounts made available under this subsection shall remain available for a period of 3 years.

"(2) CONTRACT AUTHORITY.—Funds authorized by this subsection shall be available for obligation in the same manner as if such funds were apportioned under chapter 1 of title 23, United States Code.".

(j) CONFORMING AMENDMENT.—Section 5503 is amended by striking subsection (d) and redesignating subsections (e), (f), and (g) as subsections (d), (e), and (f), respectively.

SEC. 703. RESEARCH AND TECHNOLOGY PROGRAM.

(a) Section 307 of title 23, United States Code, is amended to read as follows:

§ 307 Research and planning

"(a) FINDINGS; GENERAL AUTHORITY; AND COLLABORATIVE AGREEMENTS.—

"(1) FINDINGS.—The Congress finds that—

"(A) Results of research, technology transfer, studies, and activities have demonstrated that continued and increased efforts to provide for technical innovation must be a cornerstone in the foundation as the transportation community moves into the next century.

"(B) A strong Federal transportation research and technology program is recognized as essential to ensure that innovation is developed and incorporated into the multi-billion dollar infrastructure program.

"(C) Technology advancement is essential to support the Nation's infrastructure needs and, in turn, its ability to continue to participate successfully in a global marketplace and economy.

"(2) AUTHORITY OF THE SECRETARY.—

"(A) IN GENERAL.—The Secretary shall engage in research, development, and technology transfer activities with respect to motor carrier transportation and all phases of highway planning and development (including construction, operation, modernization, development, design, maintenance, safety, financing, and traffic conditions) and the effect thereon of State laws and may test, develop, or assist in testing and developing any material, invention, patented article, or process.

"(B) COOPERATION, GRANTS, AND CONTRACTS.—The Secretary may carry out this section either independently or in cooperation with other Federal departments, agencies, and instrumentalities or by making grants to, or entering into contracts, cooperative agreements, and other transactions with, the National Academy of Sciences, the American Association of State Highway and Transportation Officials, or any State agency, authority, association, institution, corporation (profit or nonprofit), organization, or person.

"(C) TECHNICAL INNOVATION.—The Secretary shall develop and administer programs to facilitate application of the products of research and technical innovations that will improve the safety, efficiency, and effectiveness of the highway system.

"(D) FUNDS.—

"(i) IN GENERAL.—Except where specifically noted otherwise in other sections of chapter 3, the funds necessary to carry out this subsection shall be taken by the Secretary out of administrative funds deducted pursuant to section 104(a) of this title and such funds as may be deposited by any cooperating organization or person in a special account of the Treasury of the United States established for such purposes, and such funds shall remain available for obligation for a period of 3 years after the last day of the fiscal year for which the funds are authorized.

"(ii) USE OF FUNDS.—The Secretary shall use funds available to carry out this section to develop, administer, communicate, and achieve the use of products of the research, development, and technology transfer programs, and to otherwise interact with partners and users in the planning and dissemination of results.

"(3) COLLABORATIVE RESEARCH AND DEVELOPMENT.—

"(A) IN GENERAL.—For the purposes of encouraging innovative solutions to surface transportation problems and stimulating the marketing of new technology by private industry, the Secretary is authorized to undertake, on a cost-shared basis, collaborative research and development with non-Federal entities, including State and local governments, foreign governments, colleges and universities, corporations, institutions, partnerships, sole proprietorships, and trade associations that are incorporated or established under the laws of any State.

"(B) AGREEMENTS.—In carrying out this paragraph, the Secretary may enter into cooperative research and development agreements, as such term is defined under section 12 of the Stevenson-Wydler Technology Innovation Act of 1980 (15 U.S.C. 3710a).

"(C) FEDERAL SHARE.—The Federal share payable on account of activities carried out under a cooperative research and development agreement entered into under this paragraph shall not exceed 50 percent of the total cost of such activities; except that, if there is substantial public interest or benefit, the Secretary may approve a higher Federal share. All costs directly incurred by the non-Federal partners, including personnel, travel, and hardware development costs, shall be treated as part of the non-Federal share of the cost of such activities for purposes of the preceding sentence.

"(D) UTILIZATION OF TECHNOLOGY.—The research, development, or utilization of any technology pursuant to a cooperative research and development agreement entered into under this paragraph, including the terms under which the technology may be licensed and the resulting royalties may be distributed, shall be subject to the Stevenson-Wydler Technology Innovation Act of 1980.

"(E) FUNDS.—The funds necessary to carry out this paragraph shall be taken by the Secretary out of administrative funds deducted pursuant to section 104(a) of this title and such funds as may be deposited by any cooperating organization or person in a special account of the Treasury of the United States established for such purposes.

"(4) Waiver of advertising requirements.—The provisions of section 3709 of the Revised Statutes (41 U.S.C. 5) shall not be applicable to contracts or agreements entered into under this chapter.

"(b) MANDATORY CONTENTS OF PROGRAM.—The Secretary shall include in the surface transportation research, development, and technology transfer programs under this subsection and as specified elsewhere in this title—

"(1) a coordinated long-term program of research for the development, use, and dissemination of performance indicators to measure the performance of the surface transportation system of the United States, including indicators for productivity, efficiency, energy use, air quality, congestion, safety, maintenance, and other factors which reflect the overall performance of such system.

"(2) a program to strengthen and expand surface transportation infrastructure research, development, and technology transfer, including, as a minimum, the following elements:

"(A) Methods and materials for improving the durability of surface transportation infrastructure facilities and extending the life of bridge structures, including new and innovative technologies to reduce corrosion.

"(B) Expansion of the Department of Transportation's inspection and mobile nondestructive examination capabilities, including consideration of the use of high energy field radiography for more thorough and more frequent inspection of bridge structures as well as added support to State, local, and tribal highway departments.

"(C) A research and development program directed toward the reduction of costs associated with the construction of highways and mass transmit systems.

"(D) A surface transportation research program to develop nondestructive evaluation equipment for use with existing infrastructure facilities and for next generation infrastructure facilities that utilize advanced materials.

"(E) Information technology including appropriate computer programs to collect and analyze data on the status of the existing infrastructure facilities for enhancing management, growth, and capacity; and dynamic simulation models of surface transportation systems for predicting capacity, safety, and infrastructure durability problems, for evaluating planned research projects, and for testing the strengths and weaknesses of proposed revisions in surface transportation operations programs.

"(F) New innovative technologies to enhance and facilitate field construction and rehabilitation techniques for minimizing disruption during repair and maintenance of existing structures.

"(G) Initiatives to improve the Nation's ability to respond to emergencies and natural disasters, and to enhance national defense mobility.

"(c) As used in this chapter the term 'safety' includes, but is not limited to, highway safety systems, research, and development relating to vehicle, highway, and driver characteristics, accident investigations, communications, emergency medical care, and transportation of the injured.".

SEC. 704. NATIONAL TECHNOLOGY DEPLOYMENT INITIATIVES.

(a) IN GENERAL.—Chapter 3 of title 23, United States Code, is amended—

(1) by striking section 321; and

(2) by amending section 326 to read as follows:

§ 326. National technology deployment initiatives program

"(a) ESTABLISHMENT.—The Secretary shall develop and administer a National Technology Deployment Initiatives program for the purpose of significantly expanding the adoption of innovative technologies by the surface transportation community.

"(b) DEPLOYMENT GOALS.—The Secretary shall establish a limited number of goals for the program carried out under this section. Each of the goals and the program developed to achieve the goals shall be designed to provide tangible benefits in the areas of transportation system efficiency, safety, reliability, service life, environmental protection, and sustainability. For each of these goals, the Secretary, in cooperation with representatives of the transportation community such as the States, local government, the private sector, and academia, shall access domestic and international technology to develop strategies and initiatives to achieve the goal, including technical assistance in deploying technology, and mechanisms for sharing information among program participants. Goals to be addressed may include:

"(1) Reduced delay and improved safety within construction and maintenance work areas.

"(2) Extended life of the current infrastructure.

"(3) Increased system durability and life, including applications of high performance materials.

"(4) Improved safety of driving at night and other periods of reduced visibility.

"(5) Support and enhancement of the environment with use of innovative technologies.

"(6) Support of community-oriented transportation and sustainable development.

"(7) Minimized transportation system closures, constraints, and delay caused by snow and ice.

"(c) FUNDING.—There are authorized to be appropriated, out of the Highway Trust Fund (other than the Mass Transit Account), $56,000,000 for each of fiscal years 1998, 1999, and 2000; and $84,000,000 for each of fiscal years 2001, 2002, and 2003 to carry out this section. Where appropriate to achieve the goals outlined above, the Secretary may further allocate such funds to States for their use.

"(d) LEVERAGING OF RESOURCES.—The Secretary shall give preference to projects that leverage Federal funds against significant resources from other sources, public or private.

"(e) CONTRACT AUTHORITY.—Funds authorized by this subsection shall be available for obligation in the same manner as if such funds were apportioned under chapter 1 of this title; except that the Federal share of the cost of any activity under this section shall be determined by the Secretary and such funds shall remain available for obligation for a period of 3 years after the last day of the fiscal year for which the funds are authorized. After providing notice and an opportunity for comment, the Secretary may waive, in whole or in part, application of any provision of this title, if the Secretary determines that such waiver is not contrary to the public interest and will advance the technology development nationwide. Any waiver under this section shall be published in the Federal Register, together with reasons for such waiver.".

(b) CONFORMING AMENDMENT.—The analysis for chapter 3 is amended—

(1) striking the item relating to section 321; and

(2) striking the item relating to section 326 and inserting the following:

"326. National technology deployment initiatives program".

SUBTITLE B—INTELLIGENT TRANSPORTATION SYSTEMS ACT OF 1997

SEC. 751. SHORT TITLE AND FINDINGS.

(a) SHORT TITLE.—This subtitle may be cited as the "Intelligent Transportation Systems Act of 1997".

(b) FINDINGS.—The Congress finds that the research and tests conducted under the Intelligent Transportation Systems Act of 1991 demonstrated the potential benefit and readiness of Intelligent Transportation Systems to enhance the safety and efficiency of surface transportation operations in a variety of ways.

(c) PURPOSE.—The purpose of this subtitle is to provide for the accelerated deployment of proven technologies and concepts, while also increasing the Federal commitment to improving surface transportation safety through aggressive, long-range research, development, testing, and promotion of crash avoidance technologies and systems in cooperation with industry.

SEC. 752. DEFINITIONS; CONFORMING AMENDMENT.

(a) For the purposes of this subtitle, the following definitions apply:

(1) ADVANCED RURAL TRANSPORTATION SYSTEMS.—The term "Advanced Rural Transportation Systems" means the construction, or acquisition, and operation of ITS predominantly outside of metropolitan areas, and including public lands such as National Parks, monuments, and recreation areas, for the purposes of providing—

(A) traveler safety and security advisories and warnings;

(B) emergency "Mayday" services to notify public safety and emergency response organizations of travelers in need of emergency services;

(C) tourism and traveler information services;

(D) public mobility services to improve the efficiency and accessibility of rural transit service;

(E) enhanced rural transit fleet operations and management;

(F) improved highway operations and maintenance through the rapid detection of severe weather conditions, hazardous road and bridge conditions, and imminent danger to construction and maintenance crews from errant vehicles in work zones; and

(G) Commercial Vehicle Operations (CVO) user services.

(2) CVISN.—The term "Commercial Vehicle Information Systems and Networks" means the information systems and communications networks that support CVO.

(3) CVO.—The term "Commercial Vehicle Operations" means motor carrier operations and motor vehicle regulatory activities associated with the commercial movement of goods, including hazardous materials, and passengers. Public sector CVO activities include the issuance of operating credentials, motor vehicle and fuel tax administration, and roadside safety and border crossing inspection and regulatory compliance operations.

(4) INTELLIGENT TRANSPORTATION INFRASTRUCTURE.—The term "Intelligent Transportation Infrastructure" means the initial construction or acquisition of fully integrated public sector ITS components as defined by the Secretary, including traffic signal control systems, freeway management systems, incident management systems, transit management systems, regional multi-modal traveler information systems, emergency management services, electronic toll collection systems, electronic fare payment systems, ITS-based railroad grade crossing safety systems, roadway weather information and prediction systems, advanced rural transportation systems, and commercial vehicle information systems and networks.

(5) INTELLIGENT TRANSPORTATION SYSTEMS.—The term "intelligent transportation systems" means the development or application of electronics, communications, or information processing (including advanced traffic management systems, commercial vehicle operations, advanced traveler information systems, commercial and advanced vehicle control systems, advanced public transportation systems, satellite vehicle tracking systems, and advanced vehicle communications systems) used singly or in combination

to improve the efficiency and safety of surface transportation systems.

(6) ITS COLLISION AVOIDANCE SYSTEMS.—The term "ITS Collision Avoidance Systems" means an intelligent transportation system that assists vehicle operators to avoid collisions that would otherwise occur.

(7) NATIONAL ARCHITECTURE.—The term "National Architecture" means the common framework for interoperability adopted by the Secretary, and which defines the functions associated with ITS user services, the physical entities or subsystems within which such functions reside, the data interfaces and information flows between physical subsystems, and the communications requirements association with information flows.

(8) NATIONAL ITS PROGRAM PLAN.—The term "National ITS Program Plan" means the March 1995 First Edition of the National ITS Program Plan jointly developed by the U.S. Department of Transportation and the Intelligent Transportation Society of America, and subsequent revisions issued by the Secretary pursuant to section 755(a)(1).

(9) STATE.—The term "State" has the meaning such term has under section 101 of title 23, United States Code.

(b) NATIONAL HIGHWAY SYSTEM.—The undesignated paragraph in section 101(a) of title 23, United States Code, relating to the National Highway System is amended by inserting after "title" the following: "and the Intelligent Transportation Infrastructure associated with such system.".

SEC. 753. SCOPE OF PROGRAM.

(a) SCOPE.—Subject to the provisions of this subtitle, the Secretary shall conduct an ongoing program to research, develop, and operationally test intelligent transportation systems and advance Nation-wide deployment of such systems as a component of the Nation's surface transportation systems.

(b) GOALS.—The goals of the program to be carried out under this subtitle shall include, but not be limited to:

(1) the widespread planning, implementation and operation of integrated intermodal, interoperable intelligent transportation infrastructure, in conjunction with corresponding private sector systems and products, to enhance the capacity, efficiency, and safety of surface transportation, using the authorities provided under sections 103, 119, 133, 134, 135, 149, and 402 of title 23, and sections 31102, 5307, and 5309 of title 49, United States Code;

(2) the protection and enhancement of the natural environment and communities affected by surface transportation, with special emphasis on assisting the efforts of the States to attain air quality goals established pursuant to the Clean Air Act, while addressing the transportation demands of an expanding economy;

(3) the enhancement of safe operation of the Nation's surface transportation systems with a particular emphasis on aspects of intelligent transportation systems that will decrease the number and severity of collisions and identification of aspects of such systems that may degrade safety, and on in-vehicle systems that bring about a significant reduction in the deaths and injuries by helping prevent collisions that would otherwise occur;

(4) the enhancement of surface transportation operational and transactional efficiencies to allow existing facilities to be used to meet a significant portion of future transportation needs, and to reduce regulatory, financial, and other transaction costs to public agencies and system users;

(5) research, development, investigation, documentation, and promotion of intelligent transportation systems and the public sector organizational capabilities needed to perform or manage the planning, implementation, and operation of intelligent transportation infrastructure in the United States, using authorities provided under section 307 of title 23, United States Code, and sections 111, 112, 301, 30168, 31106, 5312, 5337, and 20108 of title 49, United States Code;

(6) the enhancement of the economic efficiency of surface transportation systems to improve America's competitive position in the global economy;

(7) the enhancement of public accessibility to activities, goods, and services, through the preservation, improvement and expansion of surface transportation system capabilities, operational efficiency, and intermodal connections;

(8) the development of a technology base and necessary standards and protocols for intelligent transportation systems; and

(9) the improvement of the Nation's ability to respond to emergencies and natural disasters, and the enhancement of national defense mobility.

SEC. 754. GENERAL AUTHORITIES AND REQUIREMENTS.

(a) COOPERATION.—In carrying out the program under this subtitle, the Secretary shall foster enhanced operations and management of the Nation's surface transportation systems, strive to achieve the widespread deployment of intelligent transportation systems, and continue to advance emerging technologies, in cooperation with State and local governments and the United States private sector. As appropriate, in carrying out the program under this subtitle, the Secretary shall consult with the Secretary of Commerce, the Secretary of the Treasury, the Administrator of the Environmental Protection Agency, the Director of the National Science Foundation, and the heads of other interested Federal departments and agencies and shall maximize the involvement of the United States private sector, colleges and universities, including Historically Black Colleges and Universities and other Minority Institutions of Higher Education, and State and local governments in all aspects of the program, including design, conduct (including operations and maintenance), evaluation, and financial or in-kind participation.

(b) STANDARDS.—The Secretary shall develop, implement, and maintain a National Architecture and supporting standards and protocols to promote the widespread use and evaluation of intelligent transportation systems technology as a component of the Nation's surface transportation systems. To the extent practicable, such standards and protocols shall promote interoperability among intelligent transportation systems technologies implemented throughout the States. In carrying out this subsection, the Secretary may use the services of such existing standards-setting organizations as the Secretary determines appropriate. The Secretary shall consult with the Secretary of Commerce, the Secretary of Defense, and the Federal Communications Commission, and take all actions the Secretary deems necessary to secure the necessary spectrum for the near-term establishment of a dedicated short-range vehicle to wayside wireless standard.

(c) EVALUATION.—The Secretary shall prescribe guidelines and requirements for the independent evaluation of field and related operational tests carried out pursuant to section 756, including provisions to ensure the objectivity and independence of the evaluator needed to avoid any real or apparent conflict of interest or potential influence on the outcome by parties to such tests or any other formal evaluation conducted under this subtitle. Any survey, questionnaire, or interview which the Secretary considers necessary to carry out the evaluation of such tests or program assessment activities under this subtitle shall not be subject to the requirements of the Paperwork Reduction Act of 1995 (44 U.S.C. 3501–3520).

(d) INFORMATION CLEARINGHOUSE.—

(1) CLEARINGHOUSE.—The Secretary shall establish and maintain a repository for technical and safety data collected as a result of federally sponsored projects carried out pursuant to this subtitle and shall make, upon request, such information (except for proprietary information and data) readily available to all users of the repository at an appropriate cost.

(2) DELEGATION OF AUTHORITY.—The Secretary may delegate the responsibility of the Secretary under this subsection, with continuing oversight by the Secretary, to an appropriate entity not within the Department of Transportation. If the Secretary delegates such responsibility, the entity to which such responsibility is delegated shall be eligible for Federal assistance under this subtitle.

(e) ADVISORY COMMITTEES.—The Secretary may utilize one or more advisory committees in carrying out this subtitle. Any advisory committee so utilized shall be subject to the Federal Advisory Committee Act. Funding provided for any such committee shall be available from moneys appropriated for advisory committees as specified in relevant appropriations acts and from funds allocated for research, development, and implementation activities in connection with the intelligent transportation systems program under this subtitle.

(f) AUTHORITY TO USE FUNDS.—Each State and eligible local entity is authorized to use funds provided under this subtitle or under section 1030 of the National Economic Crossroads Transportation Efficiency Act of 1997, sections 103, 119, 133, 149, and 402, of title 23, and sections 31102, 5307, 5309, 5310, and 5311 of title 49, United States Code, in accordance with the provisions of each of these sections, for implementation, modernization, and operational purposes in connection with intelligent transportation infrastructure and systems.

(g) CONFORMITY WITH STANDARDS.—the Secretary shall ensure that the implementation of intelligent transportation systems using funds authorized under this subtitle conform to the National Architecture and ITS standards and protocols, developed under subsection (b), except for projects using funds authorized for specific research objectives in the National ITS Program Plan under section 755 of this subtitle.

(h) LIFE-CYCLE COST ANALYSIS.—The Secretary shall require an analysis of the life-cycle costs of each project using Federal funds referenced in subsection (f) of this section, and those authorized in section 757 of this subtitle, for operations and maintenance of ITS elements, where the total initial capital costs of the ITS elements exceeds $3 million.

(i) PROCUREMENT METHODS.—To meet the need for effective implementation of ITS projects, the Secretary shall develop appropriate technical assistance and guidance to assist State and local agencies in evaluating and selecting appropriate methods of procurement for ITS projects, including innovative and nontraditional methods of procurement.

SEC. 755. NATIONAL ITS PROGRAM PLAN, IMPLEMENTATION, AND REPORT TO CONGRESS.

(a) NATIONAL ITS PROGRAM PLAN.—

(1) UPDATES.—The Secretary shall maintain and update the National ITS Program Plan as necessary.

(2) SCOPE.—The plan shall—

(A) specify the goals, objectives, and milestones for the deployment of intelligent transportation infrastructure in the context of major metropolitan areas, smaller metropolitan and rural areas, and commercial vehicle information systems and networks, and how specific programs and projects relate to the goals, objectives, and milestones, including consideration of the 5-, 10-, and 20-year timeframes for the goals and objectives;

(B) establish a course of action necessary to achieve the program's goals and objectives;

(C) provide for the evolutionary development of standards and protocols to promote and ensure interoperability in the implementation of intelligent transportation systems technologies; and

(D) establish a cooperative process with State and local governments for determining desired surface transportation system performance levels and development of plans for national incorporation of specific ITS capabilities into surface transportation systems.

(b) DEMONSTRATION AND EVALUATION OF INTELLIGENT VEHICLE SYSTEMS.—The Secretary shall conduct research and development activities for the purpose of demonstrating integrated intelligent vehicle systems. Such research shall include state-of-the-art preproduction systems and shall integrate collision avoidance, in-vehicle information, and other safety related systems. Development work shall incorporate human factors research findings to improve situational awareness of drivers and ensure success of the man-machine relationship. This program shall build on the technologies developed as part of the NHTSA Crash Avoidance and FHWA Automated Highway System programs and shall be conducted in cooperation with private industry, educational institutions, and other interested parties.

(c) IMPLEMENTATION REPORTS.—

(1) IN GENERAL.—Not later than one year after the date of the enactment of this Act, and biennially thereafter, the Secretary shall submit to Congress a report on implementation of the National ITS Program Plan under subsection (a) of this section.

(2) SCOPE OF IMPLEMENTATION REPORTS.—In preparing reports under this subsection, the Secretary shall—

(A) summarize the status of intelligent transportation infrastructure deployment progress;

(B) analyze the possible and actual accomplishments of ITS projects in achieving congestion, safety, environmental, and energy conservation goals and objectives;

(C) assess nontechnical problems and constraints identified, including the inability to secure suitable spectrum allocations to implement a national or international dedicated short range vehicle to wayside communication standard; and

(D) include, if appropriate, any recommendations of the Secretary for legislation or modification to the National ITS Program Plan developed under subsection (a).

SEC. 756. TECHNICAL, TRAINING, PLANNING, RESEARCH AND OPERATIONAL TESTING PROJECT ASSISTANCE.

(a) TECHNICAL ASSISTANCE, TRAINING, AND INFORMATION.—The Secretary may provide planning and technical assistance, training, and information to State and local governments seeking to implement, operate, maintain, and evaluate ITS technologies and services.

(b) PLANNING ASSISTANCE.—The Secretary may make available financial assistance under this section to support adequate consideration of transportation system management and operations, including intelligent transportation systems and technologies, within metropolitan and statewide transportation processes. Such financial assistance shall be made available at such time, in such amounts and subject to such conditions as the Secretary may determine. The Secretary shall develop appropriate technical assistance to support the consideration of operations and management issues within metropolitan and statewide transportation planning.

(c) ELIGIBILITY OF CERTAIN ENTITIES.—Any commercial vehicle regulatory agency and any interagency traffic, transportation, or incident management entity, including independent public authorities or agencies, contracted by a State or local transportation agency for the planning, system development, evaluation, implementation, or operation of intelligent transportation infrastructure, including commercial vehicle information systems and networks, within a designated area or along a specific corridor are eligible to receive Federal assistance under this subtitle.

(d) RESEARCH AND OPERATIONAL TESTING PROJECTS.—The Secretary may provide funding to Federal agencies and make grants to non-Federal entities, including State and local governments, universities, including Historically Black Colleges and Universities and other Minority Institutions of Higher Education, and other persons, for research and operational tests relating to intelligent transportation systems. In deciding which projects to fund under this subsection, the Secretary shall—

(1) give the highest priority to those projects that will—

(A) contribute to the goals and objectives specified in the National ITS Program Plan developed under section 755 of this subtitle;

(B) minimize the relative percentage and amount of Federal contributions under this subtitle to total project costs;

(C) validate and accelerate the establishment and widespread conformance with the National Architecture and related standards and protocols;

(D) enhance traffic safety through accelerating the deployment of ITS collision avoidance products through the combined efforts of the Federal Government and industry;

(E) demonstrate innovative arrangements for multi-agency and/or private sector participation in the cooperative financing of the deployment and/or operation of intelligent transportation systems; and

(F) validate the effectiveness of integrated, intelligent transportation systems and infrastructure in enhancing the safety and efficiency of surface transportation within metropolitan and rural areas;

(2) seek to fund operational tests that advance the current state of knowledge in direct support of national ITS research and technology objectives as defined in the National ITS Program Plan under section 755 of this subtitle, and

(3) require that operational tests utilizing Federal funds under this subtitle have a written evaluation of the intelligent transportation systems technologies investigated and of the results of the investigation which is consistent with the guidelines developed under section 754(c) of this subtitle.

SEC. 757. APPLICATIONS OF TECHNOLOGY.

(a) INTELLIGENT TRANSPORTATION INFRASTRUCTURE DEPLOYMENT INCENTIVES PROGRAM.—The Secretary shall conduct a program to promote the deployment of regionally integrated, intermodal intelligent transportation systems and, through financial and technical assistance under this subtitle, shall assist in the development and implementation of such systems, leveraging to the maximum extent funding from other sources. In metropolitan areas, funding provided under this subtitle shall primarily support activities which integrate existing intelligent transportation infrastructure elements or those implemented with other sources of public or private funding. For commercial vehicle projects and projects outside metropolitan areas, funding provided under this subtitle may also be used for installation of intelligent transportation infrastructure elements.

(b) PRIORITIES.—In providing funding for projects under this section, the Secretary shall allocate not less than 25 percent of the funds made available to carry out this section to eligible State or local entities for the implementation of commercial vehicle information systems and networks, and international border crossing improvements (in accordance with the requirements of this section and section 1030 of the National Economic Crossroads Transportation Efficiency Act of 1997), in support of public sector CVO activities nationwide, and not less than 10 percent for other intelligent transportation infrastructure deployment activities outside of metropolitan areas. In accordance with the National ITS Program Plan under section 755 of this subtitle, the Secretary shall provide incentives for the deployment of integrated applications of intermodal intelligent transportation infrastructure and system technologies so as to—

(1) stimulate sufficient deployment to validate and accelerate the establishment of national ITS standards and protocols;

(2) realize the benefits of regionally integrated, intermodal deployment of intelligent transportation infrastructure and commercial vehicle operations, including electronic border crossing applications; and

(3) motivate innovative approaches to overcoming non-technical constraints or impediments to deployment.

(c) PROJECT SELECTION.—To be selected for funding under this section, a project shall—

(1) contribute to national deployment goals and objectives outlined in the National ITS Program Plan under section 755 of this subtitle;

(2) demonstrate a strong commitment to cooperation among agencies, jurisdictions, and the private sector, as evidenced by signed Memorandums of Understanding that clearly define the responsibilities and relation of all parties to a partnership arrangement, including institutional relationships, and financial agreements needed to support deployment, and commitment to the criteria provided in paragraphs (3) through (7) of this subsection;

(3) demonstrate commitment to a comprehensive plan of fully integrated ITS deployment in accordance with the national ITS architecture and established ITS standards and protocols;

(4) be part of approved plans and programs developed under applicable statewide and metropolitan transportation planning processes and applicable State air quality implementation plans at the time Federal funds are sought;

(5) be instrumental in catalyzing corresponding public or private ITS investments and that minimize the relative percentage and amount of Federal contributions under this section to total project costs;

(6) include a sound financial approach to ensuring continued, long-term operations and maintenance without continued reliance on Federal funding under this subtitle, along with documented evidence of fiscal capacity and commitment from anticipated public and private sources; and

(7) demonstrate technical capacity for effective operations and maintenance or commitment to acquiring necessary skills.

(d) FUNDING RESTRICTIONS AND LIMITATIONS.—Funding eligibility under this section for intelligent transportation infrastructure projects in metropolitan areas shall be limited to items necessary to integrate intelligent transportation system elements either deployed or to be deployed by various implementing public and private agencies and organizations. Annual awards shall be limited to $15,000,000 per metropolitan area, $2,000,000 per rural project, and $5,000,000 per CVISN project, provided that no more than $35,000,000 shall be awarded annually within any State.

SEC. 758. FUNDING.

(a) INTELLIGENT TRANSPORTATION INFRASTRUCTURE DEPLOYMENT INCENTIVES PROGRAM.—There is authorized to be appropriated to the Secretary for carrying out section 757 of this subtitle, out of the Highway Trust Fund (other than the Mass Transit Account), $100,000,000 for each of fiscal years 1998, 1999, 2000, 2001, 2002, and 2003. In addition to amounts made available by subsection (b) of this section, any amounts authorized by this subsection and not allocated by the Secretary for carrying out section 757 of this subtitle may be used by the Secretary for carrying out other activities authorized under this subtitle.

(b) ITS RESEARCH AND PROGRAM SUPPORT ACTIVITIES.—There is authorized to be appropriated to the Secretary for carrying out multi-year research and technology development initiatives under this subtitle (other than section 757), out of the Highway Trust Fund (other than the Mass Transit Account), $96,000,000 for each of fiscal years 1998, 1999, and 2000, and $130,000,000 for each of fiscal years 2001, 2002, and 2003.

(c) FEDERAL SHARE PAYABLE.—

(1) For activities funded under subsection (a) of this section, the Federal share payable from the sums authorized under subsection (a) shall not exceed 50 percent of the costs thereof, and the total Federal share payable from all eligible sources (including subsection (a)) shall not exceed 80 percent of the costs thereof.

(2) For activities funded under subsection (b) of this section, unless the Secretary determines otherwise, the Federal share payable on account of such activities shall not exceed 80 percent of the costs thereof.

(3) For long range activities undertaken in partnership with private entities for the purposes of section 755(b) of this subtitle, the Federal share payable on account of such activities shall not exceed 50 percent of the costs thereof.

(4) The Secretary shall seek maximum participation in the funding of such activities under this subtitle from other public and private sources, and shall minimize the use of funds provided under this subtitle for the construction or long-term acquisition of buildings and grounds.

(d) APPLICABILITY OF TITLE 23.—Funds authorized by this section shall be available for obligation in the same manner as if such funds were apportioned under chapter 1 of title 23, United States Code, except that the Federal share of the cost of any activity under this section shall be determined in accordance with this section, and such funds shall remain available for obligation for a period of 3 years after the last day of the fiscal years for which the funds are authorized.

TITLE VIII—BOATING SAFETY

SEC. 801. SHORT TITLE.

This Act may be cited as the "Sportfishing and Boating Improvement Act of 1997".

SEC. 802. AMENDMENT OF 1950 ACT.

Whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision of the 1950 Act, the reference shall be considered to be made to a section or other provision of the Act entitled "An Act to provide that the United States shall aid the States in fish restoration and management projects, and for other purposes," approved August 9, 1950 (16 U.S.C. 777 et seq.).

SEC. 803. OUTREACH AND COMMUNICATIONS PROGRAMS.

(a) DEFINITIONS.—Section 2 of the 1950 Act (16 U.S.C. 777a) is amended—

(1) by indenting the left margin of so much of the text as precedes "(a)" by 2 ems;

(2) by inserting "For purposes of this Act—" after the section caption;

(3) by striking "For the purpose of this Act the" in the first paragraph and inserting "(1) the";

(4) by indenting the left margin of so much of the text as follows "include—" by 4 ems;

(5) by striking "(a)", "(b)", "(c)", and "(d)" and inserting "(A)", "(B)", "(C)", and "(D)", respectively;

(6) by striking "department." and inserting "department;"; and

(7) by adding at the end thereof the following:

"(2) the term 'outreach and communications program' means a program to improve communication with anglers, boaters, and the general public regarding angling and boating opportunities, to reduce barriers to participation in these activities, to advance adoption of sound fishing and boating practices, to promote conservation and the responsible use of the nation's aquatic resources, and to further safety in fishing and boating; and

"(3) the term 'aquatic resource education program' means a program designated to enhance the public's understanding of aquatic resources and sport-fishing, and to promote the development of responsible attitudes and ethics toward the aquatic environment.".

(b) FUNDING FOR OUTREACH AND COMMUNICATIONS PROGRAM.—Section 4 of the 1950 Act (16 U.S.C. 777c) is amended—

(1) by redesignating subsections (c, (d), and (e) as subsections (d), (e), and (f);

(2) by inserting after subsection (b) the following:

"(c) NATIONAL OUTREACH AND COMMUNICATIONS FUND.—

"(1) ESTABLISHMENT.—There is established on the books of the Treasury a fund to be known as the 'National Outreach and Communications Fund'.

"(2) CREDITS.—There shall be credited to the Fund—

"(A) out of the balance of each such annual appropriation remaining after the distribution and use under subsections (a) and (b), respectively, the sum of—

"(i) $5,000,000 for the fiscal year 1998;

"(ii) $6,000,000 for fiscal year 1999;

"(iii) $7,000,000 for fiscal year 2000;

"(iv) $8,000,000 for fiscal year 2001; and

"(v) $10,000,000 for fiscal year 2002; and

"(B) amounts allocated to it under subsection (d).

"(3) CARRYFORWARD.—Amounts credited to the fund under paragraph (2) shall remain available for 2 fiscal years after the fiscal year in which credited. Amounts credited to the fund under that paragraph that are unobligated by the Secretary of the Interior more than 2 years after the fiscal year in which credited shall be available to the Secretary under subsection (e).";

(4) by inserting a comma and "for an outreach and communications program" after "Act" in subsection (d), as so redesignated;

(5) by striking "subsections (a) and (b)," in subsection (d), as so redesignated, "subsections (a), (b), and (c),";

(6) by adding at the end of subsection (d), as so redesignated, the following: "Of the sum available to the Secretary of the Interior under this subsection for any fiscal year, not more than $2,500,000 is authorized to be allocated to the National Outreach and Communications Fund. No funds available to the Secretary under this subsection may be used to replace funding traditionally provided through general appropriations, nor for any purposes except those purposes authorized by this Act. The Secretary shall publish a detailed accounting of the projects, programs, and activities funded under this subsection annually in the Federal Register."; and

(7) by striking "subsections (a), (b), and (c)," in subsection (e), as so redesignated, and inserting "subsections (a), (b), (c), and (d),".

(c) INCREASE IN STATE ALLOCATION.—Section 8 of the 1950 Act (16 U.S.C. 777g) is amended—

(1) by striking "12½ percentum" each place it appears in subsection (b) and inserting "15 percent";

(2) by striking "10 percentum" in subsection (c) and inserting "15 percent";

(3) by inserting "and communications" in subsection (c) after "outreach"; and

(4) by redesignating subsection (d) as subsection (f); and by inserting after subsection (c) the following:

"(d) NATIONAL OUTREACH AND COMMUNICATIONS PROGRAM.—

"(1) IMPLEMENTATION.—Within 1 year after the date of enactment of the Sportfishing and Boating Improvement Act of 1997, the Secretary of the Interior shall develop and implement, in cooperation and consultation with the Sport Fishing and Boating Partnership Council, a national plan for outreach and communications.

"(2) CONTENT.—The plan shall provide—

"(A) guidance, including guidance on the development of an administrative process and funding priorities, for outreach and communications programs; and

"(B) for the establishment of a national program.

"(3) SECRETARY MAY MATCH OR FUND PROGRAMS.—Under the plan, the Secretary may obligate amounts from the National Outreach and Communications Fund under section 4(c) of this Act—

"(A) to make grants to any State or private entity to pay all or any portion of the cost of carrying out any outreach or communications program under the plan; or

"(B) to fund contracts with States or private entities to carry out such a program.

"(4) REVIEW.—The plan shall be reviewed periodically, but not less frequently than once every 3 years.

"(e) STATE OUTREACH AND COMMUNICATIONS PROGRAM.—Within 12 months after the completion of the national plan under subsection

(d)(1), a State shall develop a plan for an outreach and communications program and submit it to the Secretary. In developing the plan, a State shall—

"(1) review the national plan developed under subsection (d);

"(2) consult with anglers, boaters, the sportfishing and boating industries, and the general public; and

"(3) establish priorities for the State outreach and communications program proposed for implementation.".

SEC. 804. CLEAN VESSEL ACT FUNDING.

Section 4(b) of the 1950 Act (16 U.S.C. 777c(b)) is amended to read as follows:

"(b) USE OF BALANCE AFTER DISTRIBUTION.—

"(1) FISCAL YEAR 1998.—For fiscal year 1998, of the balance remaining after making the distribution under subsection (a), an amount equal to $51,000,000 shall be used as follows:

"(A) $31,000,000 for fiscal year 1998 shall be transferred to the Secretary of Transportation and shall be expended for State recreational boating safety programs under section 13106 of title 46, United States Code;

"(B) $10,000,000 shall be available for each fiscal year to the Secretary of the Interior for 3 years for obligation for qualified projects under section 5604(c) of the Clean Vessel Act of 1992 (33 U.S.C. 1322 note); and

"(C) $10,000,000 shall be available for each fiscal year to the Secretary of the Interior for 3 years for obligation for qualified projects under section (5)(d) of the Sportfishing and Boating Improvement Act of 1997.

"(2) FISCAL YEARS 1999–2003.—For each of fiscal years 1999 through 2003, the balance of each annual appropriation remaining after making the distribution under subsection (a), an amount equal to $84,000,000, reduced by 82 percent of the amount appropriated for that fiscal year from the Boat Safety Account of the Aquatic Resources Trust Fund established by section 9504 of the Internal Revenue Code of 1986 (26 U.S.C. 9504) to carry out the purposes of section 13106(a) of title 46, United States Code, shall be used as follows:

"(A) $10,000,000 shall be available for each fiscal year to the Secretary of the Interior for 3 years for obligation for qualified projects under section 5604(c) of the Clean Vessel Act of 1992 (33 U.S.C. 1322 note);

"(B) $10,000,000 shall be available for each fiscal year to the Secretary of the Interior for 3 years for obligation for qualified projects under section (5)(d) of the Sportfishing and Boating Improvement Act of 1997; and

"(C) the balance shall be transferred for each such fiscal year to the Secretary of Transportation and shall be expended for State recreational boating safety programs under section 13106 of title 46, United States Code.

"(3) Amounts available under subparagraphs (A) and (B) of paragraph (1) and paragraph (2) that are unobligated by the Secretary of the Interior after 3 years shall be transferred to the Secretary of Transportation and shall be expended for State recreational boating safety programs under section 13106(a) of title 46, United States Code.".

SEC. 805. BOATING INFRASTRUCTURE.

(a) PURPOSE.—The purpose of this section is to provide funds to States for the development and maintenance of public facilities for transient nontrailerable recreational vessels.

(b) SURVEY.—Section 8 of the 1950 Act (16 U.S.C. 777g), as amended by section 803, is amended by adding at the end thereof the following:

"(g) SURVEYS.—

"(1) NATIONAL FRAMEWORK.—Within 6 months after the date of enactment of the Sportfishing and Boating Improvement Act of 1997, the Secretary, in consultation with the States, shall adopt a national framework for a public boat access needs assessment which may be used by States to conduct surveys to determine the adequacy, number, location, and quality of facilities providing access to recreational waters for all sizes of recreational boats.

"(2) STATE SURVEYS.—Within 18 months after such date of enactment, each State that agrees to conduct a public boat access needs survey following the recommended national framework shall report its findings to the Secretary for use in the development of a comprehensive national assessment of recreational boat access needs and facilities.

"(3) EXCEPTION.—Paragraph (2) does not apply to a State if, within 18 months after such date of enactment, the Secretary certifies that the State has developed and is implementing a plan that ensures there are and will be public boat access adequate to meet the needs of recreational boaters on its waters.

"(4) FUNDING.—A State that conducts a public boat access needs survey under paragraph (2) may fund the costs of conducting that assessment out of amounts allocated to it as funding dedicated to motorboat access to recreational waters under subsection (b)(1) of this section.".

(c) PLAN.—Within 6 months after submitting a survey to the Secretary under section 8(g) of the Act entitled "An Act to provide that the United States shall aid the States in fish restoration and management projects, and for other purposes," approved August 9, 1950 (16 U.S.C. 777g(g)), as added by subsection (b) of this section, a State may develop and submit to the Secretary a plan for the construction, renovation, and maintenance of public facilities, and access to those facilities, for transient nontrailerable recreational vessels to meet the needs of nontrailerable recreational vessels operating on navigable waters in the State.

(d) GRANT PROGRAM.—

(1) MATCHING GRANTS.—The Secretary of the Interior shall obligate amounts made available under section 4(b)(1)(C) of the Act entitled "An Act to provide that the United States shall aid the States in fish restoration and management projects, and for other purposes," approved August 9, 1950 (16 U.S.C. 777c(b)(1)(C)) to make grants to any State to pay not more than 75 percent of the cost to a State of constructing, renovating, or maintaining public facilities for transient nontrailerable recreational vessels.

(2) PRIORITIES.—In awarding grants under paragraph (1), the Secretary shall give priority to projects that—

(A) consist of the construction, renovation, or maintenance of public facilities for transient nontrailerable recreational vessels in accordance with a plan submitted by a State under subsection (c);

(B) provide for public/private partnership efforts to develop, maintain, and operate facilities for transient nontrailerable recreational vessels; and

(C) propose innovative ways to increase the availability of facilities for transient nontrailerable recreational vessels.

(e) DEFINITIONS.—For purposes of this section, the term—

(1) "nontrailerable recreational vessel" means a recreational vessel 26 feet in length or longer—

(A) operated primarily for pleasure; or

(B) leased, rented, or chartered to another for the latter's pleasure;

(2) "public facilities for transient nontrailerable recreational vessels" includes mooring buoys, daydocks, navigational aids, seasonal slips, or similar structure located on navigable waters, that are available to the general public and designed for temporary use by nontrailerable recreational vessels; and

(4) "State" means each of the several States of the United States, the District of Columbia, the Commonwealth of Puerto Rico, Guam, American Samoa, the Virgin Islands, and the Commonwealth of the Northern Mariana Islands.

(f) EFFECTIVE DATE.—This section shall take effect on October 1, 1997.

SEC. 806. BOAT SAFETY FUNDS.

(a) IN GENERAL.—Section 13106 of title 46, United States Code, is amended—

(1) by striking the first sentence of subsection (a)(1) and inserting the following: "Subject to paragraph (2) and subsection (c), the Secretary shall expend in each fiscal year for State recreational boating safety programs, under contracts with States under this chapter, an amount equal to the sum of (A) the amount appropriated from the Boat Safety Account for that fiscal year and (B) the amount transferred to the Secretary under section 4(b)(1) of the Act of August 9, 1950 (16 U.S.C. 777c(b)(1)).''; and

(2) by striking subsection (c) and inserting the following:

"(c) Of the amount transferred for each fiscal year to the Secretary of Transportation under section 4(b)(1)(A) of the Act of August 9, 1950 (16 U.S.C. 777c(b)), $5,000,000 is available to the Secretary for payment of expenses of the Coast Guard for personnel and activities directly related to coordinating and carrying out the national recreational boating safety program under this title. Amounts made available by this subsection shall remain available until expended. The Secretary shall publish annually in the Federal Register a detailed accounting of the projects, programs, and activities funded under this subsection.".

(b) CONFORMING AMENDMENTS.—

(1) The caption for section 13106 of title 46, United States Code, is amended to read as follows:

"§ 13106. Authorization of appropriations".

(2) The chapter analysis for chapter 131 of title 46, United States Code, is amended by striking the item relating to section 13106 and inserting the following:

"13106. Authorization of appropriations".

SEC. 807. FUNDS FOR RECREATIONAL BOATING SAFETY.

(a) ALLOCATION OF FUNDS TO INSULAR AREAS.—Section 13103 of title 46, United States Code, is amended—

(1) by inserting "(1) before "The Secretary" in subsection (a);

(2) by redesignating paragraphs (1), (2), and (3) of subsection (a) as subparagraphs (A), (B), and (C), respectively;

(3) by adding at the end of subsection (a) the following:

"(2) The amount allocated to each of the insular areas under this subsection shall not exceed one-half of one percent of the total amount allocated under paragraph (1).";

(4) by striking "year." in subsection (b) and inserting the following: "year, except that, in the case of the insular areas, the requirement for local matching funds is waived for amounts under $200,000."; and

(5) by adding at the end thereof the following:

"(d) For purposes of this section, the term 'insular areas' means American Samoa, Guam, the Northern Mariana Islands, and the Virgin Islands.".

(b) AVAILABILITY OF ALLOCATIONS.—Section 13104(a) of such title is amended—

(1) by striking "3 years" in paragraph (1) and inserting "2 years"; and

(2) by striking "3-year" in paragraph (2) and inserting "2-year".

By Mr. DORGAN:

S. 1236. A bill to amend title 23, United States Code, to provide for a national program concerning motor vehicle pursuits by law enforcement officers, and for other purposes; to the Committee on Commerce, Science, and Transportation.

THE NATIONAL POLICE PURSUIT POLICY ACT OF 1997

Mr. DORGAN. Mr. President, when Police Chief John Whetsel pulled up to the scene of a fiery car wreck, he never expected to recognize the charred remains of a familiar vehicle. After receiving word that a highway patrol cruiser's 100-miles-per-hour pursuit of a fleeing motorcycle had led to a terrible accident involving several bystanders, Chief Whetsel hurried to the scene.

Upon his arrival, Chief Whetsel quickly recognized his family's smoldering automobile and let out a long cry of anguish as he discovered that his wife and two daughters were the victims of this terrible accident. Unfortunately, 1995 statistics show that 40 percent of all high-speed pursuits end in accidents, causing needless death and injury to our Nation's families.

I certainly understand the pain that Chief Whetsel endured. My mother was killed in a high-speed police chase on her drive from a local Bismarck, ND hospital. Eyewitnesses say that the speed of this chase was 80 to 100 miles an hour through the city streets. She died as the drunk lawbreaker fishtailed his pickup truck racing away from pursuing officers. She was a wonderful woman, and it was a senseless and painful loss of life.

There are countless other tragic examples. In fact, there is an entire organization, called STOPP, dedicated to raising the awareness of the dangers of high speed police pursuits. The members of their board have very strong convictions on this issue, for each of them also lost a family member or a friend who was an innocent victim of a high speed chase.

Mr. President, today I rise to introduce the National Police Pursuit Policy Act of 1997. It is my hope that this legislation, if enacted, would help prevent tragic losses like the episode that occurred to Chief Whetsel, my family, and so many others. High speed chases are dangerous and occur too frequently, and the human losses resulting from high-speed police pursuits in the last several years continue to mount. While we are finally seeing some initiative being taken by various States and local communities to address this problem, these efforts must extend to all State and local jurisdictions in this country to attack the problem.

According to the U.S. Department of Transportation, there were 377 deaths nationwide in 1996, and 27 percent of these deaths were police officers or innocent bystanders that died as a result of high-speed chases. Many chases begin as motorists—whether out of fright, panic, or guilt—flee at high speeds instead of pulling over when a police vehicle turns on its lights and siren. Unfortunately, some police become determined to apprehend the fleeing motorists at all costs, and an alarming 60 percent of all police pursuits originate from minor traffic violations. The result is that the safety of the general public—and the dangers that are created by high-speed chases in city traffic—become secondary to catching someone whose initial offense may have been no greater than driving a car with a broken tail-light.

Increased training and education are essential in addressing this problem. Every single law enforcement jurisdiction in the United States must adopt a reasoned, and well-balanced pursuit policy. With 73 percent of all police officers reporting that they have been involved in a high-speed pursuit in the last 12 months, these officers need specialized training in this area. Currently, new studies show that on average only 14 hours of driver training is provided to new law enforcement recruits, with the majority of this time used for the mechanics of driving rather than practicing safe and effective high-speed pursuit procedures. In addition, statistics show that there is a decrease in high-speed pursuits when law enforcement officers are properly trained in this area.

Specific training on departmental pursuit policies and regular followup training is necessary to guarantee that all citizens, both civilians and police, receive the benefit of uniform awareness of this problem. There must be a national realization that there are circumstances in which police should not conduct a chase, and our officers should be commended for making these important, lifesaving choices. A drive across country should not be a "pot luck" regarding one's chances of being maimed or killed by a police pursuit.

I want to stress that the police are not the villains here. It is the folks that run from the police who are the villains. We must focus on the fleeing lawbreakers who are initiating these chases. The punishment for fleeing the police should be certain and severe. People should be aware that if they flee they will pay a big price for doing so.

The legislation that I am introducing today would require the enactment of State laws making it unlawful for the driver of a motor vehicle to take evasive action if pursued by police and would establish a standard minimum penalty of 3 months imprisonment and the seizure of the driver's vehicle. In addition, my bill would require each law enforcement agency to establish a hot-pursuit policy and provide that all officers receive adequate training in accordance with that policy.

Mr. President, this public safety problem is not an easy issue to solve. I understand that it will always be difficult for police officers to judge when a chase is getting out of hand and when public safety would be served best by holding back. However, it can improve the situation if we ensure that police officers are trained on how best to make these difficult judgments, and if we send a message to motorists that if you flee, you will do time in jail and lose your car.

I believe that these requirements, if passed, will demonstrate strong and uniform Federal leadership in response to this problem. Consequently, I ask unanimous consent that the full text of this bill be printed in the RECORD, and I urge my colleagues to support this important measure.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1236

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "National Police Pursuit Policy Act of 1997".

SEC. 2. FINDINGS.

Congress finds that—

(1) in 1996—

(A) 377 deaths occurred in the United States as a result of high-speed motor vehicle pursuits; and

(B) 103 of those deaths were police officers or innocent bystanders who died as a result of high-speed motor vehicle pursuits;

(2) in 1995, of the high-speed motor vehicle pursuits conducted during that year, approximately—

(A) 40 percent resulted in accidents;

(B) 20 percent resulted in injury; and

(C) 1 percent resulted in death;

(3) a recent study found that approximately 60 percent of high-speed motor vehicle pursuits resulted from pursuits that were not related to felony offenses;

(4) an insufficient amount of statistical data and documentation concerning high-speed motor vehicle pursuits is available;

(5) a recent study found that although only 31 percent of law enforcement agencies maintain consistent records on motor vehicle pursuits made by law enforcement officers, 71 percent of those agencies were able to provide data on the number of high-speed motor vehicle pursuits conducted;

(6) a recent study found that—

(A) 73 percent of the law enforcement officers polled had been involved in a high-speed motor vehicle pursuit during the 12-month period preceding the date of the polling; and

(B) 40 percent of those officers reported that an accident resulted from a high-speed motor vehicle pursuit in which the officer participated;

(7) a recent study found that most law enforcement recruits who receive training to

become law enforcement officers receive only an average of 14 hours of training for driving skills, and a majority of that time is used to provide training in the mechanics of driving instead of providing practice for safe and effective high-speed motor vehicle pursuit procedures; and

(8) a recent study found that an increased emphasis on the high-speed motor vehicle pursuit policies, procedures, and training decreases the occurrence of high-speed motor vehicle pursuits, as the recruits who receive training that includes special training for effective high-speed motor vehicle pursuits were less likely to engage in those pursuits.

SEC. 3. MOTOR VEHICLE PURSUIT REQUIREMENTS FOR STATE HIGHWAY SAFETY PROGRAMS.

Section 402(b)(1) of title 23, United States Code, is amended—

(1) in each of subparagraphs (A) through (D), by striking the period at the end and inserting a semicolon;

(2) in subparagraph (E), by striking the period at the end and inserting "; and"; and

(3) by adding at the end the following new subparagraph:

"(F) on and after January 1, 1999, have in effect throughout the State—

"(i) a law that—

"(I) makes it unlawful for the driver of a motor vehicle to increase speed or to take any other deliberately evasive action if a law enforcement officer clearly signals the driver to stop the motor vehicle; and

"(II) provides that any driver who violates that law shall be subject to a minimum penalty of—

"(aa) imprisonment for a period of not less than 3 months; and

"(bb) seizure of the motor vehicle at issue; and

"(ii) a requirement that each State agency and each agency of a political subdivision of the State that employs law enforcement officers who, in the course of employment, may conduct a motor vehicle pursuit shall—

"(I) have in effect a policy that meets requirements that the Secretary shall establish concerning the manner and circumstances in which a motor vehicle pursuit may be conducted by law enforcement officers;

"(II) train all law enforcement officers of the agency in accordance with the policy referred to in subclause (I); and

"(III) for each fiscal year, transmit to the chief executive officer of the State a report containing information on each motor vehicle pursuit conducted by a law enforcement officer of the agency.".

SEC. 4. REPORTING REQUIREMENT.

(a) IN GENERAL.—Not later than 180 days after the date of enactment of this Act, the Attorney General of the United States, the Secretary of Agriculture, the Secretary of the Interior, the Secretary of the Treasury, the Chief of the Capitol Police, and the Administrator of General Services shall each transmit to Congress a report containing—

(1) the policy of the department or agency headed by that individual concerning motor vehicle pursuits by law enforcement officers of that department or agency; and

(2) a description of the procedures that the department or agency uses to train law enforcement officers in the implementation of the policy referred to in paragraph (1).

(b) REQUIREMENT.—Each policy referred to in subsection (a)(1) shall meet the requirements established by the Secretary of Transportation pursuant to section 402(b)(1)(F)(ii)(I) of title 23, United States Code, concerning the manner and circumstances in which a motor vehicle pursuit may be conducted.

ADDITIONAL COSPONSORS

S. 627

At the request of Mr. JEFFORDS, the name of the Senator from Illinois [Ms. MOSELEY-BRAUN] was added as a cosponsor of S. 627, a bill to reauthorize the African Elephant Conservation Act.

S. 887

At the request of Ms. MOSELEY-BRAUN, the names of the Senator from Maine [Ms. SNOWE] and the Senator from Maine [Ms. COLLINS] were added as cosponsors of S. 887, a bill to establish in the National Service the National Underground Railroad Network to Freedom program, and for other purposes.

S. 981

At the request of Mr. THOMPSON, the name of the Senator from Minnesota [Mr. GRAMS] was added as a cosponsor of S. 981, a bill to provide for analysis of major rules.

S. 1052

At the request of Mr. FAIRCLOTH, his name was added as a cosponsor of S. 1052, a bill to amend the Andean Trade Preference Act to prohibit the provision of duty-free treatment for live plants and fresh cut flowers described in chapter 6 of the Harmonized Tariff Schedule of the United States.

S. 1056

At the request of Mr. BURNS, the names of the Senator from Kansas [Mr. BROWNBACK], the Senator from Kansas [Mr. ROBERTS], the Senator from Kentucky [Mr. MCCONNELL], the Senator from Iowa [Mr. HARKIN], and the Senator from Illinois [Ms. MOSELEY-BRAUN] were added as cosponsors of S. 1056, a bill to provide for farm-related exemptions from certain hazardous materials transportation requirements.

S. 1081

At the request of Mr. LEAHY, the names of the Senator from Hawaii [Mr. INOUYE] and the Senator from Washington [Mrs. MURRAY] were added as cosponsors of S. 1081, a bill to enhance the rights and protections for victims of crime.

S. 1105

At the request of Mr. COCHRAN, the names of the Senator from Virginia [Mr. WARNER] and the Senator from Tennessee [Mr. FRIST] were added as cosponsors of S. 1105, a bill to amend the Internal Revenue Code of 1986 to provide a sound budgetary mechanism for financing health and death benefits of retired coal miners while ensuring the long-term fiscal health and solvency of such benefits, and for other purposes.

SENATE CONCURRENT RESOLUTION 48

At the request of Mr. KYL, the names of the Senator from Utah [Mr. HATCH] and the Senator from Michigan [Mr. ABRAHAM] were added as cosponsors of Senate Concurrent Resolution 48, a concurrent resolution expressing the sense of the Congress regarding proliferation of missile technology from Russia to Iran.

SENATE RESOLUTION 119

At the request of Mr. FEINGOLD, the name of the Senator from South Dakota [Mr. JOHNSON] was added as a cosponsor of Senate Resolution 119, a resolution to express the sense of the Senate that the Secretary of Agriculture should establish a temporary emergency minimum milk price that is equitable to all producers nationwide and that provides price relief to economically distressed milk producers.

AMENDMENTS SUBMITTED

THE BIPARTISAN CAMPAIGN REFORM ACT OF 1997

LOTT (AND WARNER) AMENDMENT NO. 1258

Mr. LOTT (for himself and Mr. WARNER) proposed an amendment to the bill (S. 25) to reform the financing of Federal elections; as follows:

Strike all of section 501, and insert the following:

SEC. 501. PAYCHECK PROTECTION ACT.

(a) IN GENERAL.—Section 316 of the Federal Election Campaign Act of 1971 (2 U.S.C. 441b) is amended by adding the following new subsection:

"(c)(1) Except with the separate, prior, written, voluntary authorization of each individual, it shall be unlawful—

"(A) for any national bank or corporation described in this section to collect from or assess its stockholders or employees any dues, initiation fee, or other payment as a condition of employment if any part of such dues, fee, or payment will be used for political activities in which the national bank or corporation, as the case may be, is engaged; and

"(B) for any labor organization described in this section to collect from or assess its members or nonmembers any dues, initiation fee, or other payment if any part of such dues, fee, or payment will be used for political activities.

"(2) An authorization described in paragraph (1) shall remain in effect until revoked and may be revoked at any time.

"(3) For purposes of this subsection, the term 'political activities' includes communications or other activities which involve carrying on propaganda, attempting to influence legislation, or participating or intervening in any political campaign or political party."

LOTT AMENDMENT NO. 1259

Mr. LOTT proposed an amendment to amendment No. 1258 proposed by him to the bill, S. 25, supra; as follows:

In lieu of the matter proposed to be inserted insert the following:

SEC. 501. PAYCHECK PROTECTION ACT.

(a) IN GENERAL.—Section 316 of the Federal Election Campaign Act of 1971 (2 U.S.C. 441b)

is amended by adding the following new subsection:

"(c)(1) Except with the separate, prior, written, voluntary authorization of each individual, it shall be unlawful—

"(A) for any national bank or corporation described in this section to collect from or assess its stockholders or employees any dues, initiation fee, or other payment as a condition of employment if any part of such dues, fee, or payment will be used for political activities in which the national bank or corporation, as the case may be, is engaged; and

"(B) for any labor organization described in this section to collect from or assess its members or nonmembers any dues, initiation fee, or other payment if any part of such dues, fee, or payment will be used for political activities.

"(2) An authorization described in paragraph (1) shall remain in effect until revoked and may be revoked at any time.

"(3) For purposes of this subsection, the term 'political activities' includes communications or other activities which involve carrying on propaganda, attempting to influence legislation, or participating or intervening in any political campaign or political party."

(b) EFFECTIVE DATE.—This section shall take effect one day after enactment of this Act.

LOTT AMENDMENT NO. 1260

Mr. LOTT proposed an amendment to amendment No. 1258 proposed by him to the bill, S. 25, supra; as follows:

Strike all after the word "SEC." in the pending amendment and insert the following:

501. PAYCHECK PROTECTION ACT.

(a) IN GENERAL.—Section 316 of the Federal Election Campaign Act of 1971 (2 U.S.C. 441b) is amended by adding the following new subsection:

"(c)(1) Except with the separate, prior, written, voluntary authorization of each individual, it shall be unlawful—

"(A) for any national bank or corporation described in this section to collect from or assess its stockholders or employees any dues, initiation fee, or other payment as a condition of employment if any part of such dues, fee, or payment will be used for political activities in which the national bank or corporation, as the case may be, is engaged; and

"(B) for any labor organization described in this section to collect from or assess its members or nonmembers any dues, initiation fee, or other payment if any part of such dues, fee, or payment will be used for political activities.

"(2) An authorization described in paragraph (1) shall remain in effect until revoked and may be revoked at any time.

"(3) For purposes of this subsection, the term 'political activities' includes communications or other activities which involve carrying on propaganda, attempting to influence legislation, or participating or intervening in any political campaign or political party."

(b) EFFECTIVE DATE.—This section shall take effect two days after enactment of this Act.

LOTT AMENDMENT NO. 1261

Mr. LOTT proposed an amendment to the bill, S. 25, supra; as follows:

On page 42, in the language proposed to be stricken, strike all after "SEC. 501." through the end of the page, and insert the following:

PAYCHECK PROTECTION ACT.

(a) IN GENERAL.—Section 316 of the Federal Election Campaign Act of 1971 (2 U.S.C. 441b) is amended by adding the following new subsection:

"(c)(1) Except with the separate, prior, written, voluntary authorization of each individual, it shall be unlawful—

"(A) for any national bank or corporation described in this section to collect from or assess its stockholders or employees any dues, initiation fee, or other payment as a condition of employment if any part of such dues, fee, or payment will be used for political activities in which the national bank or corporation, as the case may be, is engaged; and

"(B) for any labor organization described in this section to collect from or assess its members or nonmembers any dues, initiation fee, or other payment if any part of such dues, fee, or payment will be used for political activities.

"(2) An authorization described in paragraph (1) shall remain in effect until revoked and may be revoked at any time.

"(3) For purposes of this subsection, the term 'political activities' includes communications or other activities which involve carrying on propaganda, attempting to influence legislation, or participating or intervening in any political campaign or political party."

(b) EFFECTIVE DATE.—This section shall take effect three days after enactment of this Act.

LOTT AMENDMENT NO. 1262

Mr. LOTT proposed an amendment to amendment No. 1261 proposed by him to the bill, S. 25, supra; as follows:

Strike all after the first word in the pending amendment and insert the following:

PROTECTION ACT.

(a) IN GENERAL.—Section 316 of the Federal Election Campaign Act of 1971 (2 U.S.C. 441b) is amended by adding the following new subsection:

"(c)(1) Except with the separate, prior, written, voluntary authorization of each individual, it shall be unlawful—

"(A) for any national bank or corporation described in this section to collect from or assess its stockholders or employees any dues, initiation fee, or other payment as a condition of employment if any part of such dues, fee, or payment will be used for political activities in which the national bank or corporation, as the case may be, is engaged; and

"(B) for any labor organization described in this section to collect from or assess its members or nonmembers any dues, initiation fee, or other payment if any part of such dues, fee, or payment will be used for political activities.

"(2) An authorization described in paragraph (1) shall remain in effect until revoked and may be revoked at any time.

"(3) For purposes of this subsection, the term 'political activities' includes communications or other activities which involve carrying on propaganda, attempting to influence legislation, or participating or intervening in any political campaign or political party."

(b) EFFECTIVE DATE.—This section shall take effect four days after enactment of this Act.

LOTT AMENDMENT NO. 1263

Mr. LOTT proposed an amendment to the motion to recommit the bill, S. 25, supra; as follows:

At the end of the instructions add the following:

"with an amendment as follows:

Strike all of section 501 and insert the following:

SEC. . PAYCHECK PROTECTION ACT.

(a) IN GENERAL.—Section 316 of the Federal Election Campaign Act of 1971 (2 U.S.C. 441b) is amended by adding the following new subsection:

"(c)(1) Except with the separate, prior, written, voluntary authorization of each individual, it shall be unlawful—

"(A) for any national bank or corporation described in this section to collect from or assess its stockholders or employees any dues, initiation fee, or other payment as a condition of employment if any part of such dues, fee, or payment will be used for political activities in which the national bank or corporation, as the case may be, is engaged; and

"(B) for any labor organization described in this section to collect from or assess its members or nonmembers any dues, initiation fee, or other payment if any part of such dues, fee, or payment will be used for political activities.

"(2) An authorization described in paragraph (1) shall remain in effect until revoked and may be revoked at any time.

"(3) For purposes of this subsection, the term 'political activities' includes communications or other activities which involve carrying on propaganda, attempting to influence legislation, or participating or intervening in any political campaign or political party."

LOTT AMENDMENT NO. 1264

Mr. LOTT proposed an amendment to amendment No. 1263 proposed by him to the bill, S. 25, supra; as follows:

In lieu of the matter proposed to be inserted insert the following:

SEC. . PAYCHECK PROTECTION ACT.

(a) IN GENERAL.—Section 316 of the Federal Election Campaign Act of 1971 (2 U.S.C. 441b) is amended by adding the following new subsection:

"(c)(1) Except with the separate, prior, written, voluntary authorization of each individual, it shall be unlawful—

"(A) for any national bank or corporation described in this section to collect from or assess its stockholders or employees any dues, initiation fee, or other payment as a condition of employment if any part of such dues, fee, or payment will be used for political activities in which the national bank or corporation, as the case may be, is engaged; and

"(B) for any labor organization described in this section to collect from or assess its members or nonmembers any dues, initiation fee, or other payment if any part of such dues, fee, or payment will be used for political activities.

"(2) An authorization described in paragraph (1) shall remain in effect until revoked and may be revoked at any time.

"(3) For purposes of this subsection, the term 'political activities' includes communications or other activities which involve carrying on propaganda, attempting to influence legislation, or participating or intervening in any political campaign or political party."

"(b) EFFECTIVE DATE.—This section shall take effect one day after enactment of this Act.

LOTT AMENDMENT NO. 1265

Mr. LOTT proposed an amendment to amendment No. 1264 proposed by him to the bill. S. 25, supra; as follows:

Strike all after the word "section" in the first-degree amendment and insert the following:

PAYCHECK PROTECTION ACT.

(a) IN GENERAL.—Section 316 of the Federal Election Campaign Act of 1971 (2 U.S.C. 441b) is amended by adding the following new subsection:

"(c)(1) Except with the separate, prior, written, voluntary authorization of each individual, it shall be unlawful—

"(A) for any national bank or corporation described in this section to collect from or assess its stockholders or employees any dues, initiation fee, or other payment as a condition of employment if any part of such dues, fee, or payment will be used for political activities in which the national bank or corporation, as the case may be, is engaged; and

"(B) for any labor organization described in this section to collect from or assess its members or nonmembers any dues, initiation fee, or other payment if any part of such dues, fee, or payment will be used for political activities.

"(2) An authorization described in paragraph (1) shall remain in effect until revoked and may be revoked at any time.

"(3) For purposes of this subsection, the term 'political activities' includes communications or other activities which involve carrying on propaganda, attempting to influence legislation, or participating or intervening in any political campaign or political party."

(b) EFFECTIVE DATE.—This section shall take effect two days after enactment of this Act.

NOTICE OF HEARINGS

COMMITTEE ON LABOR AND HUMAN RESOURCES

Mr. JEFFORDS. Mr. President, I would like to announce for information of the Senate and the public that a hearing of the Senate Committee on Labor and Human Resources will be held on Tuesday, September 30, 1997, 10 a.m., in SD–430 of the Senate Dirksen Building. The subject of the hearing is Tobacco Settlement part III. For further information, please call the committee, 202/224–5375.

COMMITTEE ON LABOR AND HUMAN RESOURCES

Mr. JEFFORDS. Mr. President, I would like to announce for information of the Senate and the public that a hearing of the Senate Committee on Labor and Human Resources will be held on Wednesday, October 1, 1997, 10 a.m., in SD–430 of the Senate Dirksen Building. The subject of the hearing is Voluntary Initiatives to Expand Health Insurance Coverage. For further information, please call the committee, 202/224–5375.

COMMITTEE ON AGRICULTURE, NUTRITION, AND FORESTRY

Mr. LUGAR. Mr. President, I would like to announce that the Senate Committee on Agriculture, Nutrition, and Forestry has changed the hearing schedule for October. The committee will meet on the following days:

Tuesday, October 7, 1997 in SR–328A at 9 a.m. To consider the nomination of Sally Thompson to be the Chief Financial Officer for the U.S. Department of Agriculture. The committee will also consider other recently announced nominations whose paperwork is received in a timely manner.

Wednesday, October 8, 1997 in SR–328A at 9 a.m. The purpose of this hearing is to examine food safety issues and recent food safety legislation proposed by the U.S. Department of Agriculture.

AUTHORITY FOR COMMITTEE TO MEET

SUBCOMMITTEE ON ADMINISTRATIVE OVERSIGHT AND THE COURTS

Mr. BENNETT. Mr. President, I ask unanimous consent that the subcommittee on Administrative Oversight and the Courts, of the Senate Committee on the Judiciary, be authorized to meet during the session of the Senate on Monday, September 29, 1997, at 2 p.m. to hold a hearing in room 226, Senate Dirksen Building, on: A Review of the FBI Crime Laboratory.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL STATEMENTS

WHAT NEXT, MR. PRIME MINISTER? DEMOCRACY HANGS IN THE BALANCE IN SLOVAKIA ON CONSTITUTION'S FIFTH ANNIVERSARY

• Mr. D'AMATO. Mr. President, 5 years ago, the speaker of the Slovak Parliament, Ivan Gasparovic, described his country's new constitution as "an expression of centuries-old emancipation efforts of the Slovak people to have a sovereign state of their own." He also spoke of its "supreme binding force." Since then, the people who present themselves as the guardians of Slovakia's statehood have undermined Slovakia's constitution.

This is what they have done.

This May, the Ministry of Interior ignored the Constitutional Court's ruling and altered an important referendum on NATO and on the direct election of the President, effectively denying the people of Slovakia their constitutionally guaranteed right to register their views through a referendum. Defending its actions, members of the Prime Minister's party insisted that they acted in conformity with the constitution—as they interpreted it—and that they were justified in placing their views ahead of the ruling of the highest court in the land.

The actions of the ruling coalition in the case of Frantisek Gaulieder makes clear that the Meciar government has a profound and fundamental disregard for the constitution of Slovakia.

Then there is the case of Frantisek Gaulieder.

Frantisek Gaulieder is a member of the Slovak Parliament who was removed from office because he renounced his membership in Prime Minister Vladimir Meciar's party, the Movement for a Democratic Slovakia. On July 25, the Constitutional Court confirmed that the ruling coalition's action which deprived Gaulieder of his seat was unconstitutional and violated Gaulieder's rights. But members of the Prime Minister's coalition again claimed that they, and not the Constitutional Court, have the right to determine what the constitution means, and have declined to act to restore Gaulieder to his seat in Parliament.

In short, the "supreme binding force" that Ivan Gasparovic spoke of 5 years ago no longer flows from the constitution, but from the will of Vladimir Meciar.

When there are differences of opinion as to what a constitution means, whether those differences arise between branches of government or between the government and its citizens, in a state operating under the rule of law, it is the job of a constitutional court to interpret what the constitution means—not the Prime Minister or Parliament. Although this principle is taken for granted in many parts of Europe, and was established early in American history by the famous Supreme Court case of Marbury versus Madison, it has apparently not yet been accepted in Slovakia.

Mr. President, the Slovak Democratic Coalition has moved, four times, to convene a special session of the Parliament in order to implement the decision of the Constitutional Court and restore Frantisek Gaulieder to his seat. Four times, however, Prime Minister Meciar's coalition has boycotted their own Parliament rather than face the following dilemma: restore Gaulieder to his seat—consistent with the Constitutional Court's decision—and risk the chance that others will follow Gaulieder's example and defect from the Prime Minister's party, or vote down the Slovak Democratic Coalition's proposal to restore Gaulieder to his seat and confirm that whatever form of government exists in Slovakia, it is not constitutional democracy, at least not as we understand it.

Sooner or later, the Slovak Parliament will reconvene. When it acts, or fails to act, on the Gaulieder question, we will know whether Slovakia is committed to becoming a functioning constitutional democracy. If it is not, what it will become is an isolated State under constant international pressure and scrutiny, cut off from a promising and prosperous future by the arrogance and greed of its own leaders.

As Vladimir Meciar is asked in his weekly news show, what next, Mr. Prime Minister?•

TRIBUTE TO GEN. JOHN M. SHALIKASHVILI

• Mr. LEVIN. Mr. President, I rise today to pay tribute to Gen. John M. Shalikashvili on the occasion of his retirement after serving on active duty for more than 39 years, the last 4 years of which he has served as the Chairman of the Joint Chiefs of Staff.

General Shalikashvili's life is a marvelous American success story. Many people are aware that he was born in Warsaw, Poland of stateless parents and came to Peoria, IL, at the age of 16. What is not generally known, however, is that when he became a naturalized American citizen shortly before he graduated from Bradley University, it was the first nation of which he was a citizen, and that he was drafted into the U.S. Army shortly after graduation. He is the only Chairman of the Joint Chiefs of Staff who is a naturalized American citizen and the only Chairman who was drafted into the military.

Mr. President, I won't attempt to describe all of General Shalikashvili's military achievements, but I would like to include a few of his experiences that I believe molded his outlook and enabled him to perform in such a superb fashion as our Nation's senior military officer.

General Shali, as he likes to be called, served in Vietnam during the Tet offensive and in Korea in the early 1970's. His experience in combat and in a theater in which U.S. forces faced a strong and unpredictable military foe undoubtedly prepared him to be the strong spokesman for the men and women in uniform and a strong advocate for maintaining our Nation's military might second to none.

I have been struck by General Shali's frequent reference to his experience in 1991 as the head of Operation Provide Comfort. This operation brought the Iraqi Kurds down from the mountains of northern Iraq and eastern Turkey where thousands were dying and helped them to return to their towns and villages. He has described that experience as the toughest challenge and, at the same time, one of the most gratifying things that he has done. Mr. President, it has been my experience that our finest military leaders are also people who are caring human beings. General Shali's compassion and humanity comes clearly through in his recollection of his experience with the Iraqi Kurds who suffered so much at the hands of Saddam Hussein.

General Shali also served in a number of positions in Europe both during and after the cold war. Just last week, I had an opportunity along with Senators ROTH and BIDEN and other members of the Senate NATO Observer Group to meet with General Shali and the chiefs of defense of our NATO allies. I observed with pride the respect and admiration that the senior military leaders of our NATO allies have for General Shali. I am sure that it was also evident to them that all of the Senators at that meeting have the highest regard for General Shali. With his European upbringing and his several assignments in the European area, including as NATO's Supreme Allied Commander, General Shali has been a unique leader as NATO has been carrying out its internal adaptation and its enlargement.

Mr. President, I am sure that there will be a number of tributes paid to General Shali here on the Senate floor, elsewhere in the Capital area, and around the world. Some will no doubt recount his extraordinary performance as the Chairman of the Joint Chiefs of Staff. I have chosen to highlight only a few and perhaps lesser known aspects of General Shali's career because I believe they demonstrate his qualities of leadership, compassion, humanity, and courage.

General Shali has been a superb Chairman, a true friend of the men and women who serve our Nation, and I count myself fortunate to consider him a good personal friend. I salute him for the former and cherish the latter.•

KENNETH APFEL CONFIRMATION

• Mr. GRASSLEY. Mr. President, today Mr. Ken Apfel will be sworn in for the position of Commissioner of the Social Security Administration. Mr. Apfel was confirmed earlier this month to direct the agency responsible for administering the largest domestic program in the United States. Social Security will have an impact on the life of every single American at one time or another. I support Mr. Apfel's confirmation to head this vital agency.

Mr. Apfel will guide the Social Security program into the 21st century, bringing it right up to the edge of the largest demographic shift this country has ever seen. Starting in 2010, the baby boom generation—70 million strong—will begin entering retirement. Because of the tremendous medical strides we have made in extending life expectancy, this cohort will be living longer and collecting benefits longer. It is imperative that our Social Security program be ready to absorb such a huge influx of beneficiaries. The Commissioner must be a leader in preparing the agency and the program itself, to meet this challenge.

Preparing for the retirement of the baby boom generation is only half of the challenge. There are on-going problems that must be addressed as well. The Social Security Administration has had difficulties protecting taxpayer dollars. The General Accounting Office recently elevated the Supplemental Security Income Program to its high-risk list of Federal programs because of their inability to pay out the proper amount of money. Huge overpayments go out to beneficiaries—most of which are never collected. Additional problems exist in the Disability Insurance Program. Prisoners and legal aliens have received benefits improperly. The agency has not fulfilled its legislative mandate to refer applicants and recipients of disability benefits to appropriate rehabilitation. Addressing these issues is very important because problems in any one of the programs that the Social Security Administration operates undermines confidence in all of the programs.

I will say right now that I do not envy Mr. Apfel. He is endeavoring to take on a job with many difficult challenges. Having met with him personally, I can honestly say I believe he can do the job. It is my hope, however, that he will not fall into the practice of his predecessors of not taking a pro-active stance with regard to policy issues faced by the Social Security Administration. When he sees the need for legislative action, or he sees problems with policies that must be changed—that he communicate with Congress immediately.

I hope he will see himself , in his capacity as Commissioner, as a liaison to the public, to the President, and to Congress to resolve some of the most important challenges that will face our country and the Government over the next 6 years. Most of all, SSA, like any other Government agency, is an overseer of taxpayer dollars—our money. That responsibility must be taken with the utmost seriousness and deliberation. If he can motivate his personnel to do that—protect taxpayer dollars—he will have a successful term as Commissioner.•

BLACK CAREER WOMEN

• Mr. DEWINE. Mr. President, I rise today to recognize the achievement of a very valuable community organization in Cincinnati, OH.

The group—known as Black Career Women, or BCW—has been serving the African-American community in Cincinnati and throughout the United States for 20 years. Back in the early 1980's, BCW provided word processing assistance and office-skill development services to unemployed and underemployed women—to help them get decent jobs with a living wage.

This nonprofit organization provides an extremely valuable service to corporations and managers who are trying to develop and support successful skills-development strategies for African-American women. Working in partnership with executives, BCW has helped improve the lives of countless women from corporate executives to entrepreneurs.

Over the last two decades, more than 10,000 women have benefited from the service of Black Career Women.

Black Career Women has been helping the African-American women in

the Cincinnati area and throughout the Nation achieve the goals of self-help and self-determination. They deserve the praise of all people who believe in diversity, economic progress, and independence for working people.

I ask all my colleagues to join me in extending our warmest congratulations on their 20th anniversary. They are making a big difference for the better in the life of the Cincinnati area and the entire nation.•

RECOGNITION OF HISPANIC HERITAGE MONTH

• Mrs. HUTCHISON. Mr. President, I am proud to be able to speak today, as many of my colleagues have done recently, on the significance of Hispanic Heritage Month, being commemorated from September 15 through October 15. For almost 30 years, we as a nation have, in this way, formally acknowledged and celebrated the contributions Hispanic Americans have made and are making to our country.

Mr. President, in my home State of Texas, Hispanics are an intrinsic and dynamic part of our history, culture, economy, and civic life. From El Paso to Texarkana, and from Amarillo to Brownsville, over 6 million Latinos in Texas contribute immeasurably to making the Lone Star State the unique and wonderful place it is. Whether they trace their ancestry to the earliest Spanish settlers in Texas or have recently immigrated to this country, individually and collectively Hispanics have made our State and our Nation a richer place in which to live.

For at least 250 of the last 400 years, Hispanic heritage was synonymous with Texas heritage. Since the first Spanish landing at the mouth of the Rio Grande by Alonso Alvarez de Pineda in 1519, the Spanish, and later the Mexicans bravely began to colonize the vast and rugged land known as Tejas. To this day, Hispanics continue to contribute their boundless determination and unique perspective to every facet of life in Texas and the Nation. Hispanic Americans enrich our lives in virtually every field of endeavor: politics, business, science, education, art, music, film, cuisine, and countless other fields.

In my home State, we recently lost two of our greatest native Texas Hispanics, Congressman Frank Tejeda and musical artist Selena Perez. In their own way, both of these individuals demonstrated astonishing determination, which in turn reflected the vibrancy and strength of the Hispanic community: Frank Tejeda, who dropped out of high school from the south side of San Antonio and went on to distinguish himself in military service in Vietnam, in higher education, in the business world, and as a dedicated public servant; and Selena who, at the young age of 23 became a pop icon, entertaining audiences in her hometown of Corpus Christi and throughout the world with her unique brand of "Tejano" music. Although the lives of these two great Texans ended far too soon, they will forever inspire the tens of thousands of young Hispanics who will look to them and to the many other Hispanic leaders in our country as symbols of what can be achieved through hard work, ambition, and the support of the community.

As a Texan and as a member of the Senate Republican Conference Task Force on Hispanic Affairs, I remain committed to ensuring that the American dream continues to exist and to come true for all Americans. Through my activities on this task force and in the Senate, as well as through daily contact with my constituents, I have worked hard to ensure that the needs and concerns of the Hispanic community are heard and responded to. While we all share the goal of improving our country and the opportunities for our children, there are economic and other concerns that disproportionately impact the Hispanic community. I believe we in Congress must continue to address those concerns by pursuing policies that promote education, health care, urban renewal, and a business environment that encourages entrepreneurial activity and risk taking.

There are certainly challenges ahead. With so many Hispanic-owned businesses starting up around the country, access to capital is a critical need. I have supported and continue to support lending and contracting programs that offer fledgling businesses the opportunity to launch themselves—and to continue to soar. I am also working to give small business people and other Americans relief from excessive levels of taxation and Federal regulation.

On the eve of a new millennium, it is vital that we remain a people united, respectful of the individual, the family, and our country as a whole. In this same spirit, it is also important to inform ourselves and our children of the sacrifices and contributions that have been made by our ancestors on our behalf. Hispanics have extremely good reason to be proud of that heritage and to rejoice in it.

Mr. President, I am pleased to be able to highlight today the contribution of Hispanics to the exquisite mosaic that is America the Beautiful, America la linda.•

PROTECTING RELIGIOUS FREEDOM WORLDWIDE

• Mr. ABRAHAM. Mr. President, I rise today to draw the attention of my colleagues to an article I recently read on the subject of religious freedom. The author, Mr. Philip Peters, a senior fellow at the Alexis de Tocqueville Institution, offers a keen assessment of the tragedy that currently faces Christians who are being persecuted in their homelands. In his article, "Persecution and Redemption," Mr. Peters makes specific reference to the treatment of Christians and other victims of religious persecution living in the former Soviet Union.

It is unfortunate but true that tens of thousands of people in the former Soviet Union cannot practice their religion without encountering hostility from their government. As the author points out, "About one fourth of Russia's regional governments have laws restricting religious activity."

I agree with Mr. Peters' assessment that refugees from the former Soviet Union "deserve the support of anyone concerned about Christians and other victims of religious persecution around the world." I have joined with Senators KENNEDY, HATCH, and LEAHY in urging President Clinton to restore the refugee ceiling on refugees from the former Soviet Union in fiscal year 1998 to its level in fiscal year 1997.

Mr. President, I ask that Mr. Peters' article be printed in the RECORD.

The article follows:

[From the Washington Times, Sept. 25, 1997]

PERSECUTION AND REDEMPTION

(By Philip Peters)

This year, Washington has caught on to a fact that human rights activists have known for some time: Persecution of Christians is on the rise around the world. This issue was at the center of the debate on China's trade status, and the State Department issued a special report on it in July.

Now, the question is whether anything will be done about it.

New legislation introduced by Sen. Arlen Specter and Rep. Frank Wolf, the Freedom From Religious Persecution Act, is so laden with new economic sanctions and foreign policy prescriptions that it has drawn the opposition of the Clinton administration, business, and pro-trade groups, and is destined for prolonged debate.

While that debate goes on, four other senators have proposed a far more immediate and concrete way for the U.S. to help.

On Sept. 10, Sens. Spencer Abraham, Edward Kennedy, Orrin Hatch, and Patrick Leahy called on the administration to abandon its current plan to cut next year's admissions of refugees from the former Soviet Union. They deserve the support of anyone concerned about Christians and other victims of religious persecution around the world.

The State Department wants to cut admissions from the former Soviet Union to 21,000, even though 27,000 were admitted this year. The senators propose instead 30,000 admissions from the former Soviet Union, with no reductions in planned admissions from other regions.

This proposal is modest. The Clinton administration has driven refugee admissions down 40 percent, and if the senators' proposal is accepted, total 1998 admissions would be 87,000, far lower than the 100,000-plus refugees admitted annually from 1989 to 1995.

The senators' letter has ignited a debate among administration aides, who must soon decide on the number of refugees to admit in 1998. They need look no further than the administration's own reports on religious persecution in the former Soviet Union. These reports document that:

Legislation passed last week by the lower house of Russia's parliament would require the registration of new religious groups, and would require these groups to wait up to 15 years to obtain full legal status. During this period, these groups would be barred from importing or distributing religious materials, and it would be difficult for them to own property or have bank accounts. This bill does not apply to Orthodoxy, Islam, Judaism or Buddhism; instead, it would affect faiths newer to Russia, especially evangelical Christians. President Yeltsin vetoed the bill once but now seems prepared to sign it.

About one fourth of Russia's regional governments have laws restricting religious activity.

Russian authorities have made Christian missionary work difficult or impossible in some regions, and they have made recovery of property difficult for non-Orthodox faiths, including the Catholic church.

As a result, Pentecostals and other evangelical Christians now account for about half the refugees from the former Soviet Union.

The State Department argues against any increase in refugee admissions. In spite of conditions in the former Soviet Union, it claims that interest in the U.S. refugee program is declining, even though 6,000 more were admitted this year than it proposes to admit next year.

But even if less than 30,000 admissions slots for the former Soviet Union are needed in 1998, the increase in overall admissions would give the administration greater flexibility to address other crises. This year, the administration exceeded its planned admissions from the former Yugoslavia by 25 percent. If the implementation of the Dayton accords continues to prove difficult, the need to resettle refugees from this region will grow. And, following the historical pattern in other refugee crises, American action to resettle refugees from the former Yugoslavia will cause European and other countries to accent greater numbers of these refugees for resettlement.

Last year, the House and Senate defeated legislative attempts to slash refugee admissions. The senators' action is one more demonstration of the bipartisan consensus supporting American action to help refugees fleeing oppression. President Clinton should view their proposal as an opportunity to help victims of religious oppression, and to revitalize American humanitarian leadership around the globe.•

ENERGY AND WATER APPROPRIATIONS CONFERENCE REPORT

• Mr. GORTON. Mr. President, in the Energy and Water Appropriations Conference Report, which this body may consider as early as tomorrow, is a provision that encourages the Corps of Engineers to make a decision on permits for a 50-foot dock extension at the Port of Seattle.

Over the past several years the Port of Seattle, Muckleshoot Indian Tribe, and Corps of Engineers have been involved in a debate over the replacement of a 350-foot wood dock with a 400-foot concrete dock at the Port of Seattle. In an effort to move this process forward and break the deadlock between the parties, I included report language in the Energy and Water Appropriations Conference Report asking the Corps of Engineers promptly to consider the permit issue.

Due to the continued cooperation and hard work of the Muckleshoot Indian Tribe and Port of Seattle, an agreement was reached this past Friday evening over the dock extension. I would like to praise the judgment and cooperation of the Port of Seattle and the Muckleshoot Indian Tribe both. Their willingness to work together has not only averted a protracted conflict but also provide a positive example for other local governments and tribal governments in reaching agreements under similar circumstances.

As a result of this agreement, the language which I included in the Energy and Water Appropriation Conference Report is redundant and no longer necessary. I have discussed this point with Congressman NORM DICKS in the House and would like the official record to show that both the House and Senate agree that this language is effectively voided by the agreement. Furthermore, I would like to request that the final version of the Energy and Water Conference Report that will be considered by the Senate not contain this language. In any event, that language should be treated as having no effect.•

JUDICIAL NOMINEES

Mr. HATCH. Mr. President, I rise this evening to say a few words in response to President Clinton's radio address over the weekend about the pace of the Senate's consideration of judicial nominees. In that address, the President chided Members of this body for what he described as "a vacancy crisis" in our Federal courts ostensibly resulting from politically motivated scrutiny of his nominees.

I will respond for a moment to the myths and distortions that the Clinton administration has engaged in; specifically the myth that there is a vacancy crisis in the Federal judiciary and the myth that there is a Republican slowdown of judicial confirmations.

There is no vacancy crisis. So far this year, the Senate has confirmed 18 of President Clinton's judges. This brings the total number of Clinton nominees on the Federal bench to 222—that is nearly 30 percent of the active Federal judiciary. There are more sitting Federal judges today than there were through virtually all of the Reagan and Bush administrations. As of September 26, 1997, just 3 days ago, there were 750 active Federal judges. Now, this figure excludes the approximately 79 senior status judges who continue to preside over and hear cases.

Yet at this point in the 101st Congress when George Bush was President and in the 102d Congress when George Bush was President, by contrast, when President Bush's nominees were being processed by a Democrat-controlled Senate, there were only 711 and 716 active judges, respectively. We have 750 as we stand here today.

Keep in mind that the Clinton administration is on record as stating that 63 vacancies—a vacancy rate just over 7 percent—is considered virtual full employment of the Federal judiciary, and they were right. Ninety-four vacancies, the current vacancy rate, is a vacancy rate of about 11 percent. So ask yourselves this question, how can a 4-percent rise in the vacancy rate from 7 percent to 11 percent convert full employment into a crisis?

Moreover, let's compare today's vacancy level, 94, with those that existed during the early 1990's when George Bush was President and the Democrats controlled the Senate. In May 1997 there were 148 Federal judicial vacancies, and in May 1992 there were 117 Federal judicial vacancies. I remember those years. I don't recall one comment about it in the media. I don't recall one television show mentioning it. I don't recall one writer writing about it. Nobody seemed to care. But all of a sudden it has become a crisis today with less vacancies at this time than the Democrat-controlled Senate and Judiciary Committee at that time had.

I should also note that at the end of the Bush administration, there were 115 vacancies compared to the 65 at the end of the last Presidential election; 115 vacancies, for which 55 nominees were pending before the Judiciary Committee. None of these 55 nominees even received the courtesy of a hearing.

I have heard all the yelling and screaming here on the floor and in the public media today and by the President on Saturday. In short, I think it is unfair and frankly inaccurate to report that the Republican Congress has created a vacancy crisis in our courts.

Now, it is also incorrect when we suggest there is a deliberate Republican slowdown of the nominations process. The President pointed out on Saturday, correctly I might add, that he has sent up to the Senate nearly 70 nominees to fill vacant seats on the Federal bench, 68 to be exact. By way of comparison, he notes that the Senate has confirmed fewer than 20 of his nominees, suggesting undue Senate delay in the face of an abundance of qualified nominees.

But the picture the President paints is less than complete. Of the 68 judicial nominees submitted to the Judiciary Committee this year, nearly half of them, 30 in all, have been nominated just since July 1 of this year. So, factoring in the Senate's August recess, when we were gone for better than 30 days, the Judiciary Committee has had scarcely 2 months to consider virtually one-half of the President's nominees this year.

Perhaps, then, it is fair to say the delay has been a factor in the face of

Senate confirmation. Unfortunately, the delay has to date been largely at the other end of Pennsylvania Avenue—at the White House, if you will.

Even the Administrative Office of the Courts has concluded that most of the blame for the current vacancies falls predominantly with this administration. It calculates that until his most recent rush of nominations, it has taken President Clinton an average of 618 days to name a nominee for a vacancy—nearly twice the time it has historically taken prior White Houses.

By contrast, it has taken the Senate an average of 91 days to confirm a judge once the President finally nominates him or her. In other words, the Senate is carrying out its constitutional responsibilities with respect to the confirmation of judicial nominees more than six times faster than the President. And in recent months, the Judiciary Committee has been moving noncontroversial nominees at a remarkably fast pace.

Since returning from the August recess, we have already scheduled two nomination hearings. At the first, earlier this month, we considered four of the President's nominees. Tomorrow we will hold a hearing for seven judicial nominees, and in addition a hearing for the President's nominee for Associate Attorney General. Those were scheduled before the President, I think, ever dreamed of giving a speech last Saturday. I should note that the Clinton administration was made aware of this fact prior to the President's address, but he failed to mention that. In addition, we are planning to have another hearing in the next few weeks, so, clearly noncontroversial nominees are being considered at a responsible pace.

I will concede that some nominations have taken longer than is customary. But in many instances, this has been due to the unfortunate fact that some nominees have not been entirely forthcoming with the Judiciary Committee. In the interest of fairness, I have given these nominees repeated opportunities to fully respond to the committee's inquiries, and when they have done so, we have moved the nomination. Ms. Margaret Morrow is a good example of a nominee who was slowed by her reluctance to promptly answer questions posed by members of the committee. After I spoke with her and urged her to be more forthcoming, her nomination was reported to the floor—with my support, I might add—and I expect her nomination will be scheduled for a floor vote soon. I expect it to be scheduled. It should be scheduled. If people have differences with her, let them express those differences with their votes. But she has been reported by the Judiciary Committee, and with good reason as far as I'm concerned.

Nevertheless, other nominees have been similarly less than cooperative. While I appreciate and concur in the President's expression of concern for the integrity of our courts, we will all be better served by this administration's renewed commitment to sending up restrained, qualified nominees who respect the essential role that the Senate must play in the confirmation process. We cannot serve that function well when nominees are less than forthright with members of the committee.

The President was quite correct when he said over the weekend, "This age demands we work together in a bipartisan fashion and the American people deserve no less." Indeed, they do deserve no less. But bipartisan cooperation depends not only on swift confirmations, but qualified and cooperative nominees as well.

Now, I also want to take a moment to address some of the personal criticisms directed at our majority leader. To suggest that the majority leader has acted irresponsibly with respect to the nominations is just plain wrong. Of 21 judicial nominees reported to the floor by the Judiciary Committee, only 3 remain on the calendar. One was reported within the last 2 weeks. So to suggest that this majority leader is playing games with nominations is not only unfair, it is grossly untrue.

Now, I have been pleased to have worked, over the past number of months, with White House counsel Chuck Ruff to ensure that the nomination and confirmation process is a collaborative one between the White House and Members of the Senate. I think it is fair to say that after a few months in which the process suffered due to inadequate consultation between the White House and some Senators, the process is now working rather smoothly. I think the process is due to the White House's renewed commitment to good faith consultation with Senators of both parties.

Now, I think it is important to note that I believe the Senate is doing its best to move nominees and to move them quickly. If we have noncontroversial nominees submitted, we can move them quickly. If and when the administration sends us qualified, noncontroversial qualified nominees, they will be processed fairly and promptly. In the last 6 weeks or so, the administration has finally began sending us nominees which I have, for the most part, found to be quite acceptable. Take Ms. Hull, who was nominated for a very important seat on the Eleventh Circuit. That is a circuit court of appeals judge. She was nominated on June 18, she had her hearing June 22, and was confirmed on September 4. That is a remarkably fast turnaround for both parties, the White House and the Senate. Or Mr. Alan Gould from Florida, who was nominated in February. We completed his paperwork and our review in March and April. He had a hearing shortly thereafter in May, and was reported out in committee and confirmed before the Fourth of July recess. Another good example is Janet Hall, from Connecticut, who was nominated to the U.S. District Court on June 5, 1997. The Committee had a hearing on July 22, and she was confirmed September 11. Clearly, when it comes to new noncontroversial nominees, we are in fact proceeding with extraordinary speed and diligence.

Now, more controversial nominees take a little more time. Of the 69 individuals nominated in this Congress, only 43 have been new. The other 23 are renominees that were nominated but never confirmed in the last Congress. Some have had committee consideration, but most of the nominees with completed paperwork who have not yet had consideration are ones who were renominated from the last Congress. When the administration simply sends back nominees who had problems last Congress, it takes much more time and it is much more difficult to process them, and they know it.

I am trying to work out the differences between the Senators of the respective States—I might add, Democrats and Republicans—and the White House so that we can move more of these. It was worth pointing out that there was, in nearly every instance, a reason why the Senate confirmed 202 other Clinton nominees, but not these 23. If all we are left with are judges that we are not ready to move, I will not compromise our advise and consent function simply because the White House does not send qualified nominees. As I said at the outset, the Senate's advise and consent function should not be reduced to a mere numbers game. The confirmation of an individual to serve for life as a Federal judge is a serious matter and should be treated as such. In fact, we have sent a letter down to the White House and Justice Department and explained the problem with each nominee, and they understand perfectly well why some of these nominees have not moved. When you talk about confirmation numbers, let me compare them to the previous Congresses. As of today, we have processed 24 nominees this year—18 confirmed, 3 on the floor, and 3 are pending in committee. Now, not all of these judges have been confirmed, but we expect that most all of them will be confirmed fairly promptly.

Assuming most of these nominees are confirmed, I think any reasonable person could see that our efforts compare quite favorably to prior Congresses in terms of the number of judges confirmed at this point in the first session of a Congress, especially if you look at recent Democrat controlled Congresses. In 1993, there were zero judges confirmed by the Democrat Congress by the end of July of that year. In 1991, 23 judges were confirmed, at a time

when there were 148 vacancies—in a Congress controlled by Democrats. In 1989, only 4 judges were confirmed—a Democrat Congress. In 1987, only 17 judges confirmed—a Democrat Congress. I can go on and on. So the plain fact is, we are on track, if not ahead of previous Democrat Congresses.

Well, I can say so much more, but let me just say this. Some have argued that the Republican leadership is holding up qualified nominees. Let me just point out for the record that there were a number of qualified nominees of President Bush who weren't even given the courtesy of a hearing. For instance, John G. Roberts, Jr., nominated on January 27, 1992, for the vacancy left by the now Supreme Court Justice Clarence Thomas. Among his long list of accomplishments, I note, was that he was a former law clerk to the Chief Justice of the Supreme Court. He had worked at various high level positions at the Justice Department, including serving as Deputy Solicitor General of the United States. He was an outstanding lawyer and he wasn't even given the courtesy of a hearing.

Another fine nominee was Maureen Mahoney. Keep in mind, we have had some Senators take to the floor here and try to imply that because it has been difficult to get a certain woman nominee through from time to time, that there must be something wrong with the Judiciary Committee for not doing that. Well, take the fine nominee, Maureen Mahoney, nominated for the U.S. District Court in the Eastern District of Virginia on April 2, 1992. Like Mr. Roberts, she, too, was a well-respected litigator. She clerked for Chief Justice Rehnquist and also served as a deputy solicitor general of the United States. Neither of these exceptionally qualified nominees were able to get a hearing on their nomination.

I could go on and on. Keep in mind that we have 750 judges on the bench today, compared to in 1991–92 when we had considerably less judges at that particular time—711 and 716, compared to 750 today. Plus, in addition to the 750, we have a number of senior status judges—79 as I recall—who are hearing cases and continuing their work even though they have taken senior status. So there is no crisis.

Now, having said all of this, I would like to move these nominees who are qualified as fast as we can. I would like them to come up on the floor as fast as they can be brought up. Thus far, the majority leader has virtually brought up everybody we have brought out of the committee, except a couple, and they will be brought up in the near future. Margaret Morrow will have her vote in the Senate. I will announce right here and now that I will vote for her, even though I did have some qualms as a result of her first confirmation hearing and as a result of some of the things that she had said while President of the California Bar Association, and on other occasions during the earlier years. But I have found her to be qualified and I will support her. Undoubtedly, there will be some who will not, but she deserves to have her vote on the floor. I have been assured by the majority leader that she will have her vote on the floor. I intend to argue for and on her behalf.

I believe that with continued cooperation from the White House, in consultation with Senators up here—keep in mind that this isn't a one-way street. Senators have a right to be concerned about lifetime-appointed judges serving within their areas, their States. Therefore, that is why the Senate has a noble and very important role in this confirmation process. I want to commend the current White House counsel, Charles Ruff for the work he is doing in meeting personally with Senators up here and trying to resolve their difficulties. I think he has made a lot of strides, and I think that is going to be helpful over the long run.

Mr. President, these are important matters. I do not believe they should be politicized. I think activist judges, whether they come from the right or left, are judges who ignore the law and just do whatever their little old visceral tendencies tell them to do. These are judges who act like superlegislatures from the bench who usurp the powers of the other two branches—coequal branches—of Government, the executive and legislative branches. These are judges who ignore the written law. These are judges who take their own political purposes to what the law should be. These are judges, a number of whom sit on the Ninth Circuit Court of Appeals, who have given me nothing but angst because of their activism. During this last year 28 of 29 cases on the Ninth Circuit Court of Appeals were reversed by the Supreme Court because of judicial activism.

Everybody knows that judicial activism is hard to define. But it is not hard to define when you look at some of those cases. Judges do have to try cases at first impression. And when they do, they do have to make decisions, and they have to split the baby, so to speak. But we are talking not about those cases. We are talking about judges who ignore the basic intents of the law, the basic languages of the law, who substitute their own policy preferences for what the law really is.

When we see judges like that, I tell them they are undermining the Federal judiciary, they are making my job as chairman of the Judiciary Committee much more difficult, and the job of the ranking member much more difficult, and they are doing wrong things.

It is important that this be brought to the attention of the American people because these judges are nominated by the President. They are confirmed for life. When they retire, they get full judgeship pay the rest of their lives. We need an independent judiciary in this country. There is no stronger voice for an independent judiciary than I. And we do need the lifetime tenure. But when judges ignore the basic laws and substitute their own policy preferences for what the law really is, they are undermining the Federal judiciary, and they are disgraces to the Federal judiciary.

Frankly, it is time that they wake up and realize that. It is embarrassing to the good judges throughout this country—manifestly embarrassing to them to have some of these judges who just think they are above the law; who think they are above the Constitution; who think they are above the other two coequal branches of Government.

Thank goodness there are not too many of them in the Federal judiciary. Thank good goodness we have people and a Senator willing to stand up and say, We have had enough. I happen to be one of them.

Mr. President, these are important issues. The Federal judiciary can determine what happens in this country for years to come. It is important that we have people of the utmost integrity and respect for the law and respect for the rule of law and respect for the role of judging on our Federal benches.

As long as I am on the Judiciary Committee, I am going to work as hard as I can to see that those are the kinds of people that we get there. I am not so sure it is that important whether they are liberal or conservative, if they will respect the role of judges and respect the rule of law. I have seen great liberal judges, and I have seen great conservative judges. And I have seen lousy ones in both categories as well.

I just suggest that they respect the role of judging. Judging generally has been pretty good.

UNANIMOUS CONSENT AGREEMENT—HOUSE JOINT RESOLUTION 94

Mr. HATCH. Mr. President, I ask unanimous consent that the majority leader, after consultation with the minority leader, may proceed to the consideration of House Joint Resolution 94, the continuing resolution, which will be received from the House.

I further ask unanimous consent that no amendments be in order to the resolution and that the Senate then immediately proceed to a vote on passage of the resolution with no intervening action or debate.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HATCH. I now ask unanimous consent that, notwithstanding the receipt of the continuing resolution, it be in order to ask for the yeas and nays at this time.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

NATIVE AMERICAN PROGRAMS ACT AMENDMENTS OF 1997

Mr. HATCH. Mr. President, I ask unanimous consent that the Senate now proceed to the consideration of Calendar No. 57, S. 459.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

A bill (S. 459) to amend the Native American Programs Act of 1974 to extend certain authorizations, and for other purposes.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the bill?

There being no objection, the Senate proceeded to consider the bill which had been reported from the Committee on Indian Affairs with an amendment to strike all after the enacting clause and inserting in lieu thereof the following:

SECTION 1. SHORT TITLE.

This Act may be cited as the "Native American Programs Act Amendments of 1997".

SEC. 2. AUTHORIZATIONS OF CERTAIN APPROPRIATIONS UNDER THE NATIVE AMERICAN PROGRAMS ACT OF 1974.

Section 816 of the Native American Programs Act of 1974 (42 U.S.C. 2992d) is amended—

(1) in subsection (a), by striking "for fiscal years 1992, 1993, 1994, and 1995." and inserting "for each of fiscal year 1997, 1998, 1999, and 2000.";

(2) in subsection (c), by striking "for each of the fiscal years 1992, 1993, 1994, 1995, and 1996," and inserting "for each of fiscal years 1997, 1998, 1999, and 2000,"; and

(3) in subsection (e), by striking ", $2,000,000 for fiscal year 1993 and such sums as may be necessary for fiscal years 1994, 1995, 1996, and 1997." and inserting "such sums as may be necessary for each of fiscal years 1997, 1998, 1999, and 2000.".

SEC. 3. NATIVE HAWAIIAN REVOLVING LOAN FUND.

(a) IN GENERAL.—Section 803A of the Native American Programs Act of 1974 (42 U.S.C. 2991b-1) is amended—

(1) in subsection (a)(1)—

(A) in the matter preceding subparagraph (A)—

(i) by striking "award grants" and inserting "award a grant"; and

(ii) by striking "use such grants to establish and carry out" and inserting "use that grant to carry out"; and

(B) in subparagraph (A), by inserting "or loan guarantees" after "make loans";

(2) subsection (b)—

(A) in paragraph (1), by striking "loans to a borrower" and inserting "a loan or loan guarantee to a borrower"; and

(B) in paragraph (2)—

(i) in the matter preceding subparagraph (A), by striking "Loans made" and inserting "Each loan or loan guarantee made";

(ii) in subparagraph (A), by striking "5 years" and inserting "7 years"; and

(iii) in subparagraph (B), by striking "that is 2 percentage" and all that follows through the end of the subparagraph and inserting "that does not exceed a rate equal to the sum of—

"(I) the most recently published prime rate (as published in the newspapers of general circulation in the State of Hawaii before the date on which the loan is made); and

"(II) 3 percentage points."; and

(3) in subsection (f)(1), by striking "for each of the fiscal years 1992, 1993, and 1994, $1,000,000" and inserting "for the first full fiscal year beginning after the date of enactment of the Native American Programs Act Amendments of 1997, such sums as may be necessary".

Mr. HATCH. Mr. President, I ask unanimous consent that the committee substitute be agreed to, the bill be deemed read a third time and passed, the motion to reconsider be laid upon the table, and any statements relating to the bill appear at this point in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The committee amendment was agreed to.

The bill (S. 459), as amended, was passed.

ORDERS FOR TUESDAY, SEPTEMBER 30, 1997

Mr. HATCH. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in adjournment until the hour of 10 a.m. on Tuesday, September 30. I further ask that on Tuesday, immediately following the prayer, the routine requests through the morning hour be granted and the Senate resume consideration of the Coats amendment No. 1249 to the District of Columbia appropriations bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HATCH. Mr. President, I now ask unanimous consent that the Senate stand in recess on Tuesday from the hours of 12:30 to 2:15 p.m. for the weekly policy conferences to meet.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRAM

Mr. HATCH. Tomorrow morning at 10 a.m. the Senate will begin 1 hour of debate prior to the cloture vote on the Coats amendment regarding school choice. Following that vote, the Senate will continue consideration of the D.C. appropriations bill with the hope of finishing action on that bill during Tuesday's session.

The Senate will also consider the continuing resolution tomorrow as well. Therefore, additional votes will occur.

ADJOURNMENT UNTIL 10 A.M. TOMORROW

Mr. HATCH. Mr. President, if there is no further business to come before the Senate, I now ask that the Senate stand in adjournment under the previous order.

There being no objection, the Senate, at 6:36 p.m., adjourned until Tuesday, September 30, 1997, at 10 a.m.

HOUSE OF REPRESENTATIVES—*Monday, September 29, 1997*

The House met at 10:30 a.m. and was called to order by the Speaker pro tempore [Mr. NETHERCUTT].

DESIGNATION OF THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore laid before the House the following communication from the Speaker:

WASHINGTON, DC,
September 29, 1997.

I hereby designate the Honorable GEORGE R. NETHERCUTT, Jr. to act as Speaker pro tempore on this day.

NEWT GINGRICH,
Speaker of the House of Representatives.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Lundregan, one of its clerks, announced that the Senate had passed bills of the following titles, in which the concurrence of the House is requested:

S. 462. An act to reform and consolidate the public and assisted housing programs of the United States, and to redirect primary responsibility for these programs from the Federal Government to States and localities, and for other purposes;

S. 1178. An act to amend the Immigration and Nationality Act to extend the visa waiver pilot program, and for other purposes; and

S. 1227. An act to amend title I of the Employee Retirement Income Security Act of 1974 to clarify treatment of investment managers under such title.

MORNING HOUR DEBATES

The SPEAKER pro tempore. Pursuant to the order of the House of January 21, 1997, the Chair will now recognize Members from lists submitted by the majority and minority leaders for morning hour debates. The Chair will alternate recognition between the parties, with each party limited to not to exceed 30 minutes, and each Member other than the majority and minority leaders and the minority whip limited to not to exceed 5 minutes.

The Chair recognizes the gentleman from Michigan [Mr. KNOLLENBERG] for 5 minutes.

PEOPLE'S BUSINESS DELAYED BY CAMPAIGN FINANCE REFORM

Mr. KNOLLENBERG. Mr. Speaker, last week my colleagues on the other side of the aisle held the House hostage in an attempt to score political points. In apparently a panic mode over the endless scandals from the 1996 Presidential election, they repeatedly forced procedural votes that delayed our work on the appropriation bills. They justify delaying the people's business as an attempt to force consideration of campaign finance reform.

Mr. Speaker, campaign finance reform is an important issue, but it is also a complex issue. Before acting, we should first fully understand all that is involved with the current system.

From the beginning of this year, scandal after scandal involving the Clinton White House, the Democratic National Committee, and their liberal political allies have dominated the headlines.

Given this onslaught of negative press coverage, I understand why my Democratic colleagues would like to change the subject and create the appearance that they are good Government reformers. But I believe it is critically important for Congress to act in a deliberative fashion on this issue. It is not enough to say that the system stinks. We need to identify the people who make the system stink and hold them accountable for skirting the law.

The money laundering schemes involving illegal foreign contributions are serious allegations, and they are allegations that need to be fully investigated before campaign finance legislation is considered.

I am not saying that there is no need for reform. In fact, I have introduced a bill that would make Members of Congress more accountable to their constituents and less beholden to Washington special interests. But I believe the old saying, "Do not place the cart in front of the horse." It applies to this situation.

The American people have elected us to do their business in a deliberative and a thoughtful manner. They understand the way we finance elections is flawed, but they are not looking for knee-jerk solutions or reactions that may have the unintended consequence of making the system worse. At this point, we do not know enough about what went wrong in 1996 to offer a solution.

Just consider, for example, the scandal involving the 1996 Teamsters presidential election. On September 18, three political consultants for Teamsters president Ron Carey pled guilty to criminal conspiracy charges related to a money laundering scheme that may involve the Democratic National Committee, Clinton campaign aides, and senior White House officials.

For background purposes, a 1989 settlement between the Teamsters and the Justice Department over racketeering charges called for the Federal Government to finance and oversee the 1996 Teamsters presidential election. Ron Carey won the election by a narrow margin, but on August 22 a court-appointed Federal overseer threw out the election, the results, and called for a new election because of fundraising abuses.

Mr. Speaker, under current law it is illegal for Teamsters funds to be spent on a candidate in a union election. The money laundering scheme that Carey's political aides pled guilty to involved using Teamsters funds to make political contributions to outside groups which then sent the money back to the Carey campaign, a clear violation of the law.

A memo has emerged that indicates Teamster money may have been contributed to State and local Democratic parties in exchange for DNC officials funneling money into Carey's campaign. Senior Clinton advisers have been implicated in this scandal, and while we do not know the extent of their involvement at this time, the possibility of the President's men being involved in a conspiracy of this magnitude is certainly troubling. After all, the Clinton Justice Department was supposed to ensure that the Teamsters election was conducted in a fair and honest manner. To carry out this responsibility, Congress provided some $22 million.

As a member of the House Committee on Education and the Workforce, I am pleased that the gentleman from Michigan [Mr. HOEKSTRA] and the gentleman from Illinois [Mr. FAWELL] have scheduled hearings on this troubling matter, and I look forward to working with them to get to the bottom of this scandal.

Mr. Speaker, we must reform our system to make political candidates more accountable to the people they represent and less beholden to the big money and interests that provide it, but we must first examine what is wrong with the system before we can offer a workable solution. After all, a doctor would not prescribe a patient or a treatment for a patient that he has not examined.

By allowing the inquiries by the relevant congressional committees, the Justice Department, and, hopefully, a special counsel to move forward, we will gain a better understanding of what needs to be done to improve this system.

The scandals from the Clinton reelection campaign have tainted the process by which Americans choose their leaders, and no matter how hard the President and his allies try to change the subject, this troubling fact must not be swept under the rug.

As elected officials, we have an obligation to investigate the matter fully and hold those responsible for this sleazy money chase of 1996 accountable. Mr. Speaker, to do anything less would be scandalous in its own right.

MAKING COLLEGE AFFORDABLE FOR ALL

The SPEAKER pro tempore. Under the Speaker's announced policy of January 21, 1997, the gentleman from Massachusetts [Mr. MCGOVERN] is recognized during morning hour debates for 5 minutes.

Mr. MCGOVERN. Mr. Speaker, last week the College Board came out with its annual report on tuition costs at our Nation's institutions of higher learning. This year's average tuition increase of 5 percent represents a curb over the past decade of double-digit inflation in college costs. Nonetheless, it is still an increase above the national inflation rate.

When we evaluate the information in this report, we do need to recognize that the overwhelming number of colleges, universities, and community colleges across the land are keeping their annual tuition increases within the 2 to 3 national percent average for inflation. Even some of our most elite colleges are attempting to keep increases in tuition within this national boundary.

Last week the president of the Massachusetts Institute of Technology, Dr. Charles Vest, visited my office and related how MIT has managed to keep its costs down to 2 percent of inflation. Dr. Vest said that he had taken a page out of the corporate handbook to contain operating costs. MIT has closed down its in-house office supply system and is now contracting with private supply companies. It has outsourced many of the publications it once handled in house as well.

No one would argue that our colleges and universities could not do more to keep overall costs down so that those increases are not passed along as tuition increases. We should recognize, however, that like all institutions, colleges and universities have been having to adjust their operations to face a new century and a new future.

The top three factors for tuition and fee growth have been: First, the need to make technological improvements on campus such as the purchase and use of computers, information technology, and more sophisticated laboratories and libraries, et cetera; second, the need for the institution to provide a greater share of student financial aid due in large measure to the decreases in Federal and State provided grant aid; and, third, increase in faculty salaries and benefits with health and retirement increases similar to those elsewhere in the Nation which, over the past decade, have also risen at rates greater than the national inflation rate.

When we in Congress review the situation, we do need to demand fiscal restraint and accountability from our colleges and universities, but we must also recognize that we have not always played a helpful role and, indeed, that we might be part of the problem, not the solution.

Federal investment in higher education, especially student financial aid, has shrunk significantly in constant dollars over the past 15 years. In the decade between 1986 and 1996, the amount of Federal dollars invested in Pell grants fell by 16 percent. For work-study programs, Federal aid deceased 32 percent; for Perkins loans, funding decreased by 17 percent; and for the Federal SEOG program, funding fell by 33 percent.

Whenever Federal dollars are taken away from student financial aid, those costs must be picked up by the institutions themselves. Institutional fundraising that would normally have been used to cover the costs of faculty and staff benefits or upgrading technology are less available, so part of those costs are passed along to students and their families through tuition and fee increases.

Once again, to use MIT as an example, in 1980 the Federal Government provided about 40 percent of financial aid grants to students based on economic need, with MIT providing about 50 percent. In 1996, the Federal Government provided 10 percent of need-based grants and MIT raised funds for 80 percent of those grants.

If we are going to make a college education affordable for every student qualified to attend an institution of higher learning, then we must make grant funding a far greater priority for national spending.

This year, the combination of increases in the Pell grant maximum award and education tax credits will provide financial support and relief for many American families. In spite of President Clinton's commitment to increase the Pell grant maximum to $3,000, an amount upheld in the House Labor-HHS-Education appropriations bill, we must still do more. We must do much more.

If the Pell grant were to have the same value and impact this year as it did when it was created, then the Pell grant maximum would have to be increased today by $5,000, a level that would not only increase the average award amount but would also broaden the eligibility pool.

I know many of my colleagues want to support legislation that would pledge a Pell grant award to every eligible child upon graduation. Well, if they want that grant to be worth the paper it is written on, they had better start supporting significantly greater increases in our appropriations for Pell grants each year.

We must all do more to make a college education affordable to all. We must all do more to make every college accessible to those who qualify for admission to an institution of higher learning. Colleges and universities must do their part by controlling overall operating costs, and we here in Congress must do more to support our children's future by ensuring that Federal support for student financial aid increases substantially over the next 5 years.

RECESS

The SPEAKER pro tempore. There being no further requests for morning hour debates, pursuant to clause 12, rule I, the Chair declares the House in recess until 12 noon.

Accordingly (at 10 o'clock and 43 minutes a.m.), the House stood in recess until 12 noon.

□ 1200

AFTER RECESS

The recess having expired, the House was called to order by the Speaker pro tempore [Mr. UPTON] at 12 noon.

PRAYER

The Chaplain, Rev. James David Ford, D.D., offered the following prayer:

We pray this day with the words of Psalm 100:

Make a joyful noise to the Lord, all the lands!
Serve the Lord with gladness!
Come into his presence with singing!
Know that the Lord is God!
It is he that made us, and we are his;
we are his people and the sheep of his pasture.
Enter into his gates with thanksgiving,
and into his courts with praise!
Give thanks to him, and bless his name!
For the Lord is good;
his steadfast love endures forever,
and his faithfulness to all generations.

Amen.

THE JOURNAL

The SPEAKER pro tempore. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

PLEDGE OF ALLEGIANCE

The SPEAKER pro tempore. Will the gentleman from Texas [Mr. SMITH] come forward and lead the House in the Pledge of Allegiance.

Mr. SMITH of Texas led the Pledge of Allegiance as follows:

I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

CONGRESS MUST CHANGE THE BURDEN OF PROOF IN TAX CASES

(Mr. TRAFICANT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. TRAFICANT. Mr. Speaker, an IRS agent testified under oath that taxpayers who fight back are told, and I quote, "Sue us; go right ahead, sue us and prove that we are wrong."

Think about it. After our taxpayers are hit with unnecessary tax bills, heavy enough to cause a hernia for the Jolly Green Giant, they are told, "If you don't like it, sue us."

This is not hearsay, this is not rumor, this is an exact quote of an IRS agent who also said, "Beware, Congress. The IRS will tell you these are isolated incidents. That's not true. This is, in fact, standard policy."

Beam me up. I say it is time for Congress to shove these illegal tactics right up the assets of the IRS. The IRS has been created by Congress. Congress caused this problem, Congress must solve this problem, and Congress must change the burden of proof in the tax case, or else the IRS will keep saying, "Prove it, sucker, prove it. Prove we're wrong."

I yield back all the balance of these illegal tactics.

PASS THE MARRIAGE TAX ELIMINATION ACT

(Mr. WELLER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WELLER. Mr. Speaker, let me ask a very simple and basic question. My colleagues, does the average American feel that it is fair, is it fair, that our Tax Code imposes a higher tax, a tax penalty, on marriage? Do Americans feel it is fair that the average married couple, 21 million average married working couples, pay $1400 more in taxes than a working couple living together outside of marriage? That is wrong, that is immoral, my colleagues. We need to repeal and eliminate the marriage tax penalty on marriage.

Let me quote an editorial in the Kankakee Daily Journal, a daily in my own congressional district:

The marriage tax is an unfair imposition. The Code should be rewritten to eliminate it. Laws should encourage rather than discourage marriage. They should encourage rather than discourage couples from staying together.

It is an issue of fairness, my colleagues. That is why it is so important we pass the Marriage Tax Elimination Act, legislation that is now enjoying the bipartisan support of almost 190 Members of this House.

Next year when we move forward with another balanced budget, in 1998, let us make the centerpiece of next year's budget elimination of the most unfair and immoral portion of our Tax Code, and that is the marriage tax penalty.

SENDING A CLEAR MESSAGE TO OUR CHILDREN

(Mr. BLUMENAUER asked and was given permission to address the House for 1 minute.)

Mr. BLUMENAUER. Mr. Speaker, one of the joys of serving in the House is being able to bring young visitors here to the floor, but when I bring children on the House floor, they are often surprised to see Members of Congress smoking here in the Chamber.

My young guests ask if it is against the rules to smoke in the House, and I tell them there are some areas one can and some areas one cannot. I have no good answer as to why the rules are not enforced or why smoking is permitted here at all.

I am concerned about this message we are sending to our children. We tell them not to smoke, and they watch smoking here in the House, the people's Chamber.

A bipartisan group of Members and I have proposed House Resolution 247 which protects our guests from tobacco smoke. This prohibition would include the House floor, passageways and rooms leading to the floor, and the Rayburn Room.

We need to lift the cloud hanging over the House and send a clear message to our children. It is time to have Congress join the rest of America and provide a smoke-free environment, especially for our young visitors.

IN RECOGNITION OF THE NATIONAL LEAGUE CENTRAL DIVISION CHAMPION HOUSTON ASTROS

(Mr. BENTSEN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BENTSEN. Mr. Speaker, I rise today to honor the Houston Astros from my district for winning the National League Central Division. Fittingly, the division winning game came 11 years to the day after the Astros won their last division title when pitcher Mike Scott threw a no-hitter against the San Francisco Giants.

In winning the Central Division title, the Astros have displayed the grit and determination that are the hallmarks of Houston's brand of baseball. With all-stars such as first baseman Jeff Bagwell, second baseman Craig Biggio, pitchers Darryl Kile and Billy Wagner, the Astros have played exciting baseball, displaying their explosive offense and stellar defense throughout the season.

I would also like to praise the rookie manager for the Astros, Larry Dierker. A former Astros pitcher during the 1960's and 1970's, Larry gave up his highly respected job as a color commentator for the Astros radio and television broadcasts to become the new manager of the team last October.

As Houston is known as the city of champions, my bet is with the Astros to bring the World Series title home in October.

APPLAUDING THE ATRA FOR SETTING ASIDE LAST WEEK AS NATIONAL LAWSUIT ABUSE AWARENESS WEEK

(Mrs. NORTHUP asked and was given permission to address the House for 1 minute.)

Mrs. NORTHUP. Mr. Speaker, I rise today to thank the American Tort Reform Association for setting aside last week as the National Lawsuit Abuse Awareness Week to remind the American public of the problems and the promise of our legal system.

Last week served as a reminder that Congress and the President have a real opportunity to do something about those abuses this year by passing and signing the Federal product liability legislation. Reform legislation can go far in curbing abuses, spurring economic development, and helping consumers, particularly women, who have been harmed by the current legal system.

For example, women are adversely affected by the near shutdown of contraceptive research in the United States due to the manufacturers' fears of lawsuit. Those same fears are actually keeping women out of clinical studies.

Furthermore, women own 30 percent of all small businesses in America. That number is predicted to be at 40 percent by the turn of the century. Federal legislation will help remove unnecessary and unreasonable burdens on these job creators.

I applaud the ATRA for its work and look forward to working with my colleagues to see product liability reform legislation enacted into law this year.

COMMUNICATION FROM MINORITY STAFF DIRECTOR AND CHIEF COUNSEL OF THE COMMITTEE ON COMMERCE

The Speaker pro tempore laid before the House the following communication from Reid P.F. Stuntz, minority staff director and chief counsel of the Committee on Commerce:

U.S. HOUSE OF REPRESENTATIVES,
COMMITTEE ON COMMERCE,
Washington, DC, September 25, 1997.

Hon. NEWT GINGRICH,
Speaker, U.S. House of Representatives, Washington, DC.

DEAR MR. SPEAKER: This is to formally notify you, pursuant to Rule L (50) of the Rules of the House of Representatives, that I have received subpoenas for documents and testimony issued by the U.S. District Courts for the Central District of California and the District of Columbia, respectively, in the matter of *Oxycal Laboratories, Inc., et al.* v. *Patrick, et al., No. SA CV-96-1119 AHS (Eex)* (D.D. Cal.) (a civil dispute between private parties that apparently arises out of an alleged breach of a settlement agreement).

After consultation with the Office of General Counsel, I have determined that the subpoenas appear, at least in part, not to be consistent with the rights and privileges of the House and, to the extent consistent with the rights and privileges of the House, should be resisted.

Sincerely,

REID P.F. STUNTZ,
Minority Staff Director and Chief Counsel.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. Pursuant to the provisions of clause 5, rule I, the Chair announces that he will postpone further proceedings today on each motion to suspend the rules on which a recorded vote or the yeas and nays are ordered or on which the vote is objected to under clause 4 of rule XV.

Such rollcall votes, if postponed, will be taken after debate has concluded on all motions to suspend the rules, but not before 5 p.m. today.

PERMANENT ENTRY AUTHORITY FOR CERTAIN RELIGIOUS WORKERS

Mr. SMITH of Texas. Mr. Speaker, I move to suspend the rules and pass the Senate bill (S. 1198) to amend the Immigration and Nationality Act to provide permanent authority for entry into the United States of certain religious workers, as amended.

The Clerk read as follows:

S. 1198

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. 3-YEAR EXTENSION OF SPECIAL IMMIGRANT RELIGIOUS WORKER PROGRAM.

(a) IN GENERAL.—Section 101(a)(27)(C)(ii)) of the Immigration and Nationality Act (8 U.S.C. 1101(a)(27)(C)(ii)) is amended by striking "1997," each place it appears and inserting "2000,".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect on the date of the enactment of this Act.

SEC. 2. WAIVER OF NONIMMIGRANT VISA FEES FOR CERTAIN CHARITABLE PURPOSES.

(a) IN GENERAL.—Section 281 of the Immigration and Nationality Act (8 U.S.C. 1351) is amended by adding at the end the following new sentence: "Subject to such criteria as the Secretary of State may prescribe including the duration of stay of the alien and the financial burden upon the charitable organization, the Secretary of State shall waive or reduce the fee for application and issuance of a nonimmigrant visa for any alien coming to the United States primarily for, or in activities related to, a charitable purpose involving health or nursing care, the provision of food or housing, job training, or any other similar direct service or assistance to poor or otherwise needy individuals in the United States.".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect on the date of the enactment of this Act.

SEC. 3. 6-MONTH EXTENSION OF DEADLINE FOR DESIGNATION OF EFFECTIVE DATE FOR PAPERWORK CHANGES IN EMPLOYER SANCTIONS PROGRAM.

(a) IN GENERAL.—Section 412(e)(1) of the Illegal Immigration Reform and Immigrant Responsibility Act of 1996 (Public law 104-208; 110 Stat. 3009-668) is amended by striking "12" and inserting "18".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect as if included in the enactment of the Illegal Immigration Reform and Immigrant Responsibility Act of 1996.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Texas [Mr. SMITH] and the gentleman from California [Mr. CONDIT] each will control 20 minutes.

The Chair recognizes the gentleman from Texas [Mr. SMITH].

GENERAL LEAVE

Mr. SMITH of Texas. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days to revise and extend their remarks on the bill under consideration.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. SMITH of Texas. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I am happy to have played a role in the creation of the Religious Worker Immigrant Visa Program in 1990. I support these visas since they allow American religious denominations, large and small, to benefit by the addition of committed religious workers from overseas.

The visa program expires at the end of the fiscal year, September 30. This substitute amendment to S. 1198 extends the program for 3 additional years, until October 2000.

When the program was created, a sunset date was included because of congressional concerns about potential fraud. Recently, the Immigration and Naturalization Service and the State Department have strongly indicated that these earlier concerns about fraud have, in fact, proved warranted.

The State Department's assistant secretary of state for consular affairs wrote to me the Department has, quote, uncovered a troubling number of scams, both individual and organized, seeking to exploit this category to obtain immigration benefits illegally.

Most problematic are those cases that involved organized fraud rings in which documents or religious institutions in the United States are fabricated or when the applicant colludes with a member of a religious institution in the United States to misrepresent either his or her qualifications with the position to which the applicant is destined.

The American Embassy in Moscow discovered a fraud ring in New York which fabricated documentation of several religious denominations in New York City on behalf of applicants who had no religious training and no intention of taking up religious occupations in the United States. Several consular offices have reported suspicions that some churches in the United States have created fictitious positions solely to help an alien procure an immigration benefit, end quote.

Extending the program for another 3 years will allow for further investigation of the misuse of religious worker visas. We will have time to accomplish what the State Department considers prudent; that is, quote, to follow this program closely to see what new fraud patterns emerge and what new tools the Department may need to deter them, end quote.

It is in everyone's interest to combat fraud for, as the State Department notes, quote, for the first time we will reach the statutory limit of 5,000 religious worker immigrant visas this fiscal year. Any future growth in the use of the program will cause the development of a waiting list. This will mean that each visa fraudulently obtained will delay the issuance of an immigrant visa to legitimate religious workers, end quote.

This substitute amendment to S. 1198 also includes a provision added to the Senate bill by Senator HATCH. The provision would allow the Secretary of State to waive or reduce visa processing fees for aliens coming to the United States for purposes involving health or nursing care, the providing of food or housing, job training, or any other similar direct service or assistance to the poor and needy here in the United States.

Lastly, S. 1198 extends the time period last year's immigration bill gave the INS to reduce the number of documents acceptable for employment verification purposes. The INS informs us that the agency cannot, within the original deadline of the end of the month, issue appropriate regulations and properly educate employers. The bill, therefore, grants the INS a 6-month extension of that deadline.

Mr. Speaker, I urge my colleagues to vote in support of the substitute amendment to S. 1198.

Mr. Speaker, I reserve the balance of my time.

Mr. CONDIT. Mr. Speaker, I rise in support of the bill, as amended.

Mr. Speaker, on behalf of the gentleman from North Carolina [Mr. WATT] I rise in support.

□ 1215

There are some difficulties with the bill. There are some Members on this side of the aisle who would have preferred for us to have a permanent extension, and the Senate did pass a permanent extension, but we have worked together in a bipartisan way. We understand the White House would prefer it to be permanent, but they are in support of however we can work it out over here. So I rise in behalf of the gentleman from North Carolina [Mr. WATT] in support of the bill today.

Mr. Speaker, I reserve the balance of my time.

Mr. SMITH of Texas. Mr. Speaker, I wish to thank the gentleman from California [Mr. CONDIT] for his comments and his support for this bill.

Ms. LOFGREN. Mr. Speaker, I intend to support S. 1198 as substituted by the gentleman from Texas.

The availability of visas for religious workers to come and do good in our country is important. We all agree on that.

I would prefer a permanent extension of these visas, but can vote for Chairman SMITH's 3-year extension before us today.

I recommend that my colleagues join me in supporting this bill.

Mr. SMITH of Texas. Mr. Speaker, I yield back the balance of my time.

Mr. CONDIT. Mr. Speaker, I yield back the balance of my time as well.

The SPEAKER pro tempore [Mr. UPTON]. The question on the motion offered by the gentleman from Texas [Mr. SMITH] that the House suspend the rules and pass the Senate bill, S. 1198, as amended.

The question was taken.

Mr. TRAFICANT. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Pursuant to clause 5 of rule I and the Chair's prior announcement, further proceedings on this motion will be postponed.

The point of no quorum is considered withdrawn.

AUTHORIZING APPROPRIATIONS FOR REFUGEE AND ENTRANT ASSISTANCE, FISCAL YEARS 1998 AND 1999

Mr. SMITH of Texas. Mr. Speaker, I move to suspend the rules and pass the Senate bill (S. 1161), to amend the Immigration and Nationality Act to authorize appropriations for refugee and entrant assistance for fiscal years 1998 and 1999.

The Clerk read as follows:

S. 1161

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. AUTHORIZATION OF APPROPRIATIONS FOR REFUGEE AND ENTRANT ASSISTANCE.

(a) AUTHORIZATION OF APPROPRIATIONS.—Section 414(a) of the Immigration and Nationality Act (8 U.S.C. 1524(a)) is amended by striking "fiscal year 1995, fiscal year 1996, and fiscal year 1997" and inserting "each of fiscal years 1998 and 1999".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect October 1, 1997.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Texas [Mr. SMITH] and the gentleman from California [Mr. CONDIT] each will control 20 minutes.

The Chair recognizes the gentleman from Texas [Mr. SMITH].

GENERAL LEAVE

Mr. SMITH of Texas. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days to revise and extend their remarks on the bill under consideration.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. SMITH of Texas. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of the Senate bill, S. 1161, as passed by the Senate, and urge my colleagues to support it.

S. 1161 simply reauthorizes refugee resettlement funds for 2 years. The language "such sums as are necessary" allows the Committee on Appropriations to adjust the funds available, based upon the number of refugees resettled in the United States for fiscal years 1998 and 1999.

While I hope that the number of refugees being settled in the United States declines in the upcoming years, I also hope that those refugees who need to be resettled in the United States have programs available to help ease them into the American way of life.

Since the existence of several programs hinge on enactment of reauthorization of the programs, passage of this bill is necessary. I urge the adoption of the bill.

Mr. Speaker, I reserve the balance of my time.

Mr. CONDIT. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of the bill on behalf of the gentleman from North Carolina [Mr. WATT], and urge its passage. This is another bipartisan piece of legislation that the gentleman from Texas [Mr. SMITH] has managed and we urge its adoption.

Mr. Speaker, I yield 5 minutes to the gentleman from Ohio [Mr. TRAFICANT].

Mr. TRAFICANT. Mr. Speaker, I want to commend and compliment the gentleman from Texas [Mr. SMITH] and I want to compliment the gentleman from California [Mr. CONDIT], who has been an outspoken leader in many areas; responsible for the Blue Dogs in this Congress, has helped to fashion some important policy changes, and I want to personally thank him on behalf of the American people for some of his efforts.

I rise on a different issue, and I do not want to belabor and take a lot of time, Mr. Speaker. What I have to talk about is very important. Albanian Prime Minister Nano is in Washington today. I want to warn my colleagues, I want to warn this committee, I want to warn this Congress and I want to warn this Government about the serious problems in Albania.

There was recently an assassination attempt on one of the prominent members of the democratic party in Albania. Nano's socialist government has denied freedom of speech, freedom of the press, freedom of assembly. In Macedonia the rights of ethnic Albanians are literally being trampled upon. They are being treated like cattle, treated like dogs. Families are in misery. It is unbelievable. And through all of this, our Government has actually remained silent.

I want to let this Congress know that the silence in America is deafening in Albania and deafening to the free people throughout our world. Unbelievable to me. It is time for the United States of America to make it clear to Prime Minister Nano that we will not tolerate or stand by while Albanians are being systematically abused and persecuted. The message must be loud, the message must be consistent, the message must be clear: Let there be no mistake. Nano's socialist party is the old Communist Party, and they have destroyed the rights of Albanian people for years and years. The legacy speaks for itself.

The United States should offer no aid. The United States should offer no solace to this Nano government who has repeatedly demonstrated a lack of respect for rights and a willingness to abuse the Albanian people.

I will today, on the Subcommittee on Commerce, Justice, and State, the Judiciary and Related Agencies appropriation bill, seek a colloquy and look for report language directing policy to this issue. I thank the gentleman for his leadership that has provided freedom for many people throughout the world, and I ask for the gentleman's support in my effort with the gentleman from Kentucky [Mr. ROGERS], chairman of the Subcommittee on Commerce, Justice, State and Judiciary of the Committee on Appropriations.

With that, I thank the gentleman for allowing me this time. It is unusual for me to speak out, but I have become aware of this through a very good friend and former Member, Joseph DiGarde. This is a tragedy, this is a shame, this is a human rights concern beyond reproach, and Congress must not allow this deafening silence throughout the world.

Mr. CONDIT. Mr. Speaker, I yield myself such time as I may consume.

Once again, I urge the House to pass the bill. It is a bipartisan approach. I must say that I appreciate the kind words of the gentleman from Ohio [Mr. TRAFICANT]. He says that rarely does he speak out, but he can always be counted on to speak out and do what is right for this country. I think he is a great American and I appreciate his efforts and all he has done for this House and for this country.

Mr. Speaker, I yield back the balance of my time.

Mr. SMITH of Texas. Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Texas [Mr. SMITH] that the House suspend the rules and pass the Senate bill, S. 1161.

The question was taken.

Mr. CONDIT. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Pursuant to clause 5 of rule I and the Chair's prior announcement, further proceedings on this motion will be postponed.

The point of no quorum is considered withdrawn.

PROVIDING PERMANENT AUTHORITY FOR THE ADMINISTRATION OF AU PAIR PROGRAMS

Mr. CAMPBELL. Mr. Speaker, I move to suspend the rules and pass the Senate bill (S. 1211) to provide permanent authority for the administration of au pair programs.

The Clerk read as follows:

S. 1211

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. PERMANENT AUTHORITY FOR AU PAIR PROGRAMS.

Section 1(b) of the Act entitled "An Act to extend au pair programs", approved December 23, 1995 (Public Law 104–72; 109 Stat. 776) is amended by striking ", through fiscal year 1997".

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from California [Mr. CAMPBELL] and the gentleman from Indiana [Mr. HAMILTON] each will control 20 minutes.

The Chair recognizes the gentleman from California [Mr. CAMPBELL].

Mr. CAMPBELL. Mr. Speaker, I yield myself such time as I may consume.

Today we bring to the floor the Senate bill, S. 1211, a permanent extension of the au pair program. The date of the present program's expiration is approaching, and so it is imperative to continue the program through this legislation.

The au pair program gives young people from many different countries a chance to visit the United States and to live with an American family for up to a year, assisting with child care and other needs around the home. It is a way for providing for round-trip travel, tuition fees, and weekly stipend. It is of assistance both to our country and to the individual visitor who learns more about the United States.

This is a bipartisan, noncontroversial measure. It has already passed the other body, and I hope that my colleagues in the House will support this bill in passage and promptly send it to the President for signature.

Mr. Speaker, I reserve the balance of my time.

Mr. HAMILTON. Mr. Speaker, I yield myself such time as I may consume.

I commend the gentleman from New York [Mr. GILMAN] and my friend and colleague, the gentleman from California [Mr. CAMPBELL], for bringing before the House this bill to permanently extend the authority of USIA to run the au pair program. I have had my doubts about whether the program should be run by USIA. I understand the program brings many positive experiences, both to the au pairs as well as to the host families.

The 1995 lapse in authorization was very disruptive to the program and its participants, and to the U.S. host families. Another such interruption will be avoided by passing this bill before authorization would expire on September 30. Given its long history and the favorable October 1996 report to Congress by USIA, the au pair program should no longer be subject to uncertainty and short-term authorizations.

I urge the adoption of the measure. I commend again the chief sponsors of it, including the gentleman from California [Mr. CAMPBELL].

Mr. Speaker, I yield back the balance of my time.

Mr. CAMPBELL. Mr. Speaker, I yield myself such time as I may consume to simply add that it is always a pleasure to be on the floor with my colleague and good friend, the distinguished gentleman from Indiana [Mr. HAMILTON].

GENERAL LEAVE

Mr. CAMPBELL. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on S. 1211, the Senate bill now under consideration.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. CAMPBELL. Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore. The question on the motion offered by the gentleman from California [Mr. CAMPBELL] that the House suspend the rules and pass the Senate bill, S. 1211.

The question was taken.

Mr. CONDIT. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Pursuant to clause 5 of rule I, and the Chair's prior announcement, further proceedings on this motion will be postponed.

The point of no quorum is considered withdrawn.

CLINT INDEPENDENT SCHOOL DISTRICT AND FABENS INDEPENDENT SCHOOL DISTRICT LAND CONVEYANCE

Mr. CAMPBELL. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 1116) to provide for the conveyance of the reversionary interest of the United States in certain lands to the Clint Independent School District and the Fabens Independent School District

The Clerk read as follows:

H.R. 1116

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION. 1. CONVEYANCE OF PROPERTY.

Subject to section 2, the Secretary of State shall execute and file in the appropriate office such instrument as may be necessary to release the reversionary interest of the United States in the 40-acre tract of land referred to in Public Law 85–42.

SEC. 2. TERMS AND CONDITIONS.

The release under section 1 shall be made upon condition that the Clint Independent School District and the Fabens Independent School District in the State of Texas use any proceeds received from the disposal of such land for public educational purposes.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from California [Mr. CAMPBELL] and the gentleman from Indiana [Mr. HAMILTON] each will control 20 minutes.

The Chair recognizes the gentleman from California [Mr. CAMPBELL].

Mr. CAMPBELL. Mr. Speaker, this bill is authored by our colleague and friend, Mr. REYES, from Texas, and I expect that we will hear from him as soon as the opportunity arises on the Democratic side of the aisle, but I wish to begin by giving him credit for authorship of the bill. It is my privilege to bring the bill to the floor. This bill will provide for the reversionary interest to be conveyed from the United States, in which it presently lies, to the Clint Independent School District and the Fabens Independent School District in the State of Texas.

The present reversionary interest is exercised by the United States through the Department of State. The Department of State has informed us that it no longer has any interest in the property. Through this bill, the State Department relinquishes its reversionary interest and gives it back to local school districts in Texas.

It is an utterly noncontroversial, bipartisan measure. The two local school districts will benefit from it. Their educational programs will benefit from it. The land will be free and clear for

whatever further conveyancing or use these school districts have. It is a straightforward bill, and I urge my colleagues to adopt H.R. 1116.

Mr. Speaker, I reserve the balance of my time.

Mr. HAMILTON. Mr. Speaker, I yield myself such time as I may consume.

Let me again express appreciation to the gentleman from New York [Mr. GILMAN] for bringing before the House the bill by the gentleman from Texas [Mr. REYES] to release the Federal Government's reversionary interest in the Clint and Fabens independent school districts.

We on the committee are glad that we have been helpful to our friend from Texas on this matter. As I understand it, the school districts in his district in Texas have had this property since about 1940. The Federal Government originally retained a reversionary interest in the property for good oversight reasons.

□ 1230

According to the Department of State, it no longer has any interest in the property. In order to allow the district's ability to make best use of the property, it is necessary for us to pass H.R. 1116 to release the Secretary of State from the reversionary interest. Under this bill the release of the interest shall be conditional upon the property being used for public educational purposes. I urge the adoption of the measure.

Mr. Speaker, I yield the balance of my time to the gentleman from Texas [Mr. REYES], the sponsor of the bill.

Mr. REYES. Mr. Speaker, I rise today in support of this bill, which is highly important to two school districts in El Paso, the Sixteenth District of Texas. This legislation would make only a minor change in the law, but would provide much-needed relief to the Clint and Fabens Independent School Districts, and provide them the power to determine how to use one of their assets much more effectively.

Since 1957 the Clint and Fabens Independent School Districts in El Paso have used land conveyed to them by the Federal Government to enhance their agricultural and vocational curriculum. An agricultural farm used mainly by the Clint School District is situated on this land.

Before the farm was built, the Federal Government had let the land lie unused for 23 years. By locating an educational farm on this land, the Clint Independent School District made the land useful and an important dimension to their educational programming. For decades we have greatly appreciated the Federal Government's transferring this property to our school districts.

Over the years, however, transporting students to the educational farm has grown increasingly problematic. The land is located 2 miles beyond the outermost boundary of the Clint Independent School District, and school officials and teachers must confront daily the difficulties of getting the students to the farm and back safely.

Students must travel 2 miles each way on busy streets. This takes time away from learning and places the students in danger during the school day. Also, in a district like Clint, most students do not have vehicles, so teachers and students must work to locate transportation to and from the farm.

Because of the distance to the farm, it would make sense for Clint to sell the land and use the proceeds to purchase land closer to the school. As a matter of fact, the school district has already located land directly adjacent to the school on which they could build an agricultural farm for their students. This would allow students simply to walk next door to the educational farm, avoiding costly transportation needs, danger, and increasing the learning time.

As the law is written, however, the State Department holds a reversionary interest in the land where the farm is currently located. This reversionary interest requires that ownership of the land revert to the Federal Government if any attempt is made to dispose of the lands.

For 40 years Clint and Fabens have been confined by this law, which requires them to either keep the lands, regardless of changes in local circumstances, or surrender it back to the Federal Government and leave their students with even fewer vocational resources and opportunities than are currently available.

Mr. Speaker, in pursuing this legislation, I have worked closely with the Department of State, which currently holds the reversionary interest in the land. I have a letter here from Barbara Larkin, Assistant Secretary of State for Legislative Affairs, which states that the Department no longer has an interest in this land and does not object to the release of the reversionary interest.

I have also worked closely with the Committee on International Relations on this bill, and I want to thank both the gentleman from New York [Mr. GILMAN] and the gentleman from Indiana [Mr. HAMILTON] for their cooperation in this matter, and for bringing my bill to the floor today.

Mr. Speaker, I also want to thank their staffs, Ms. Kristen Gilley and Ms. Elana Broitman for their assistance in moving this bill forward. Waiving this reversionary interest is a simple and straightforward way to help the young people in my district in Texas. The language of the legislation is narrowly tailored to ensure that any proceeds from the sale of lands will go toward improving the education of students. The State Department does not want or need the reversionary interest, and it would provide much needed authority to my local school districts. I urge my colleagues to support this legislation.

Mr. Speaker, I yield back the balance of my time.

Mr. CAMPBELL. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, it is an honor to be here with my colleague, the gentleman from Texas [Mr. REYES]. I want to give tribute to my chairman, the gentleman from New York [Mr. GILMAN], who allowed me to represent him in bringing this bill to the floor.

The logic that our colleague, the gentleman from Texas [Mr. REYES], brings to us in this context also is present in a bill that my colleague might be not yet aware of, offered by the gentleman from Kansas [Mr. RYUN], regarding reversionary interests in land where there had been an easement for railroad use. Land should go back to its original owners when an easement is no longer needed. I applaud the gentleman from Texas for his thinking in this case. I urge that he might want to look at the other case as an example of a comparable approach.

GENERAL LEAVE

Mr. CAMPBELL. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on H.R. 1116.

The SPEAKER pro tempore [Mr. UPTON]. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. CAMPBELL. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from California [Mr. CAMPBELL] that the House suspend the rules and pass the bill, H.R. 1116.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

EXPRESSING THE SENSE OF CONGRESS REGARDING THE OCEAN

Mr. SAXTON. Mr. Speaker, I move to suspend the rules and agree to the concurrent resolution (House Concurrent Resolution 131) expressing the sense of Congress regarding the ocean, as amended.

The Clerk read as follows:

H. CON. RES. 131

Whereas the ocean comprises nearly three quarters of the surface of the Earth;

Whereas the ocean contains diverse species of fish and other living organisms which form the largest eco-system on Earth;

Whereas these living marine resources provide important food resources to the United

States and the world, and unsustainable use of these resources has unacceptable economic, environmental, and cultural consequences;

Whereas the ocean and sea floor contain vast energy and mineral resources which are critical to the economy of the United States and the world;

Whereas the ocean largely controls global weather and climate, and is the ultimate source of all water resources;

Whereas the vast majority of the deep ocean is unexplored and unknown, and the ocean is truly the last frontier on Earth for science and civilization;

Whereas the ocean is the common means of transportation between coastal nations and carries the majority of the United States foreign trade;

Whereas any nation's use or misuse of ocean resources has effects far beyond that nation's borders;

Whereas it has been 30 years since the Commission on Marine Science, Engineering, and Resources (popularly known as the Stratton Commission) met to examine the state of United States ocean and coastal policy, and issued recommendations which led to the present Federal structure for oceanography and marine resource management; and

Whereas 1998 has been declared the International Year of the Ocean, and in order to observe such celebration, the National Oceanic and Atmospheric Administration and other Federal agencies, in cooperation with organizations concerned with ocean science and marine resources, have resolved to promote exploration, utilization, conservation, and public awareness of the ocean: Now, therefore, be it

Resolved by the House of Representatives (the Senate concurring), That it is the sense of the Congress that—

(1) the ocean is of paramount importance to the economic future, environmental quality, and national security of the United States;

(2) the United States has a responsibility to exercise and promote comprehensive stewardship of the ocean and the living marine resources it contains; and

(3) Federal agencies are encouraged to take advantage of the United States and international focus on the oceans in 1998, to—

(A) review United States oceanography and marine resources management policies and programs;

(B) identify opportunities to streamline, better direct, and increase interagency cooperation in oceanographic research and marine resource management policies and programs; and

(C) develop scientific, educational, and resource management programs which will advance the exploration of the ocean and the sustainable use of ocean resources.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from New Jersey [Mr. SAXTON] and the gentleman from California [Mr. FARR] each will control 20 minutes.

The Chair recognizes the gentleman from New Jersey [Mr. SAXTON].

Mr. SAXTON. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, today we are considering House Concurrent Resolution 131, Mr. Speaker, expressing the sense of Congress on the importance of the ocean, the gentleman from Hawaii [Mr. ABERCROMBIE] and I, for two purposes. First, it will publicize the importance of the oceans to the economy, environmental quality, and national security of the United States.

The ocean is critical to our Nation. Ninety-eight percent of the U.S. foreign trade travels by ship. Half of Americans live within 50 miles of the coastline. However, many U.S. ocean programs have received flat or decreasing funding over the last decade. We cannot act to address this problem unless the public fully understands that the oceans are important to all Americans, whether or not they make their living directly from the sea.

Mr. Speaker, House Concurrent Resolution 131 helps to build this understanding. Also, it is interesting to point out that 1998 will be the International Year of the Ocean. Scientific and educational events designed to increase understanding of the oceans and ocean resources will be held throughout the year.

The international focus on ocean resources presents a very good opportunity for us to make substantive improvements to the U.S. oceans programs. House Concurrent Resolution 131 encourages the administration to take advantage of the Year of the Ocean to review and streamline ocean programs, and take steps to improve our understanding of the ocean resources.

Mr. Speaker, this resolution, will express congressional recognition of the importance of the ocean and congressional commitment to improving the ocean programs. Obviously, I hope everyone will support this bill.

I would also like to point out the important role that the gentleman from California [Mr. FARR] has played, not only in helping to bring this resolution to the floor, but relative to the subject of ocean environment, generally. His contribution has been very, very meaningful, and it has been a pleasure to work with him.

Mr. Speaker, I urge all Members to support this bill, and I reserve the balance of my time.

Mr. FARR of California. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of House Concurrent Resolution 131. Mr. Speaker, the U.N. General Assembly has declared 1998 to be the International Year of the Ocean. That is probably one U.N. action that everyone in this House can support.

It has been nearly 30 years, as the gentleman from New Jersey [Mr. SAXTON] pointed out, since the Commission on Marine Science, Engineering, and Resources, commonly known as the Stratton Commission, took a comprehensive look at the U.S. ocean policy. A large group of Members of Congress have recently urged the President to hold a White House conference on the ocean, and there will be an international exhibit on the oceans in Lisbon, Portugal, beginning next spring.

Without a doubt, the world is becoming focused on the oceans and 1998 is the year. It is time for all the world's seafaring nations to reexamine their ocean policies. The once boundless resources of the oceans have proven to be finite when pitted against our incredible technology. Many of our great fisheries have been decimated. Coastal ecosystems are severely stressed by development and by pollution. Yet, we depend on the oceans more than ever for food, for transportation, and for recreation.

We need to take a long, hard look at how we interact with the oceans, and define a new relationship based on sustainable use, I repeat that, on sustainable use, of our ocean resources.

Mr. Speaker, this resolution is an excellent way for the House to launch that effort. I join my colleague, the gentleman from New Jersey [Mr. SAXTON] in urging bipartisan support. The gentleman from New Jersey is chair of the subcommittee. He has been a remarkable leader on this issue.

It is very interesting that today a Representative from New Jersey and a Representative from California get up to support this, because we are separated by land mass, but our two districts are joined by the oceans, the long way around, I might add. But the fact is that what affects one affects the other, so this resolution will help bring a sense of Congress that this is an important issue, and that we ought to, in this Congress, be spending more attention and more moneys on oceans than we are on outer space, because the oceans are our future, how we are going to survive on this planet.

Mr. Speaker, I thank the chairman of the committee for his leadership, and I urge my colleagues to support this resolution.

Mr. Speaker, I yield back the balance of my time.

Mr. SAXTON. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, let me just emphasize just how important I think this subject is. Obviously, when we pass a resolution suggesting that Congress pay special note to something, or that the American people pay special note of something, obviously there is a good reason for us to do it.

I think what the gentleman from California [Mr. FARR] and I bring to the House together in terms of this subject is that we have both had experiences over the last decade or so that have shown us that while there are problems related to the oceans, and while we continue to need to make progress along that line, we have also made significant progress in the last 10 years.

One decade ago, in the summer of 1987 on the Atlantic coast, we had a horrific summer. We had dolphins

washing up on our shores, we had algae blooms all up and down the East coast, and in my home State of New Jersey and on Long Island there was medical waste that washed up on our beaches. It was enough to lead anyone who would vacation in the Northeast at the shore or to eat products derived from the sea to take their vacations elsewhere, or to buy their food from some other source. It was an easy conclusion for the public to make.

Since 1987 and 1988, we have cooperated with the States, we have put Federal programs in place to help with the ocean environment, we have passed the Medical Waste Tracking Act, for example, we passed the sludge dumping prohibition that passed in 1988 or 1989, and generally speaking, the ecological state of our oceans has improved manyfold since those very difficult times in the Northeast.

Mr. Speaker, as we move forward, we continue to have problems. We continue to have problems with the regulatory process through which we try to regulate fish and mammals that live in the ocean. I spoke of one the other day with the gentleman from California [Mr. FARR]. We have a Federal agency that regulates the fishing industry. It is known as the National Marine Fisheries Service.

Perhaps it has some goals that need to be changed, because really, every time I go home and talk to someone who lives by the sea, I hear another story about how we need to do a better job in making sure that the ocean environment is conducive to making a good home for fish and mammals and other animal life that live there.

□ 1245

This is indeed an important subject. The amount of people who live near the ocean is immense. The amount of the world's surface that is covered by oceans is huge, and it is in all of our best interests to take these subjects extremely seriously. And so I hope that today will not be just a pro forma vote, passing another resolution.

The United Nations has recognized how important this is on a global basis and has designated 1998 as the Year of the Oceans, internationally. It is in all of our best interests to support this bill and to carry this message out across the country and, in fact, around the world as to just how important these matters are.

Mr. FARR of California. Mr. Speaker, will the gentleman yield?

Mr. SAXTON. I yield to the gentleman from California.

Mr. FARR of California. Mr. Speaker, I want to commend the gentleman, because this is just one of many steps that he is going to take in his committee to try to strengthen the awareness and the law as it regards the oceans.

We spend a lot of time on this floor debating how we are going to help disaster stressed communities. We usually look at natural disasters and base closures as sort of the two major reasons that we need economic relief.

I happen to represent the city of Monterrey, CA, which at one time was the largest sardine port in the world, certainly well known by the writings of John Steinbeck in "Cannery Row." Sardines disappeared. They are coming back in small numbers now. But they are mostly a bycatch rather than the main catch. But that was in the late 1940's and early 1950's. Everybody has agreed that the reason they disappeared is that they were just overfished. It shut down an entire industry, entire community. It was before we knew about disaster relief.

I think what we are seeing with the impact of the pfiesteria infection on the Maryland shores is that we have got to have a much better awareness of what is happening to animals, to fish, and to marine life, because we are really dependent on it. We may not be totally dependent on it for food stocks, but we are dependent on it for economic survival in our communities, for recreation, for tourism, for restaurants, and, essentially, if the ocean is not healthy, then our communities cannot be healthy.

So this attention that the gentleman's resolution and other bills that he is working on and I am working with him on, I think, is going to go a long way in bringing America to the forefront of being a pioneer, a new pioneer in the oceans, as we have been in the last decade. I thank the gentleman for his efforts.

I encourage all my colleagues to take this issue seriously, because it is about our future. It is about our weather. It is about our knowledge of weather, our knowledge of oceans, and essentially the quality of life on the planet Earth.

Mr. SAXTON. I thank the gentleman for his comments.

Mr. YOUNG of Alaska. Mr. Speaker, House Concurrent Resolution 131 is a resolution that recognizes the importance of our oceans and the fact that 1998 has been internationally declared the "Year of the Ocean."

As the Congressman for all Alaska, I am keenly aware of how vital the oceans are to my constituents. With the largest coastline in the Nation of 6,640 miles, Alaskan waters contain some of the richest and most valuable fishing grounds in the world. Many Alaskan towns are connected to the rest of the State only by watercraft, and many Alaskan Natives depend on fish and marine mammals for their subsistence.

I strongly support efforts to focus attention on these bodies of water, which comprise nearly three-quarters of the Earth's surface. While remarkably we know little about many of the ocean's resources, in the future we are likely to grow increasingly dependent on the energy, food, and mineral resources that exist there.

During the past 3 years, the Subcommittee on Fisheries Conservation, Wildlife and Oceans has conducted valuable hearings on the importance of our fishery resources, the ocean disposal of radioactive materials, the impact of offshore mineral production, and the need to update nautical charts. In fact, we have been successful in convincing the appropriators that accurate charts are essential to the maritime community and that adequate funding is necessary.

The United States has always been a fishing nation, and these resources have provided protein to millions of Americans. It is crucial that our world's fisheries be properly managed and that effective conservation measures be enforced. By focusing attention on this issue, House Concurrent Resolution 131 serves an important purpose. I compliment the authors for highlighting the need to promote sound stewardship of the oceans and their living marine resources.

I urge my colleagues to support House Concurrent Resolution 131.

Mr. BOEHLERT. Mr. Speaker, I rise in support of House Concurrent Resolution 131, expressing the sense of Congress regarding the ocean and recognizing 1998 as the international year of the ocean.

Congress, this Nation, and countries throughout the world need to foster a greater understanding and appreciation of our oceans. This resolution is one small but important step toward that end.

Ocean waters cover nearly 75 percent of the Earth's surface. They comprise such a dominant part of our national, social, and cultural environment that it would be foolish to try to even begin listing all the benefits and functions they provide.

Unfortunately, they are also fragile—at least more fragile in many respects than we would like to admit. Pollution, invasive species, encroaching populations, and other stressors can take their toll.

Concerted efforts are needed. The world's nations, including ours, should work more closely together to respect and conserve our global marine resources.

I commend Representative SAXTON for his efforts and the Resources Committee in general for its role in moving this resolution forward.

I should also add that the Transportation and Infrastructure Committee did not seek a referral of House Concurrent Resolution 131 but has various jurisdictional interests in it and in other efforts relating to oceans. The Coast Guard and Maritime Transportation Subcommittee, chaired by Representative WAYNE GILCHREST, and the Water Resources and Environment Subcommittee, which I chair, are particularly interested in various environmental and transportation-related aspects of the oceans. We look forward to working on additional initiatives and legislative provisions that are consistent with the spirit of this resolution and protect and promote various aspects of the world's oceans.

I urge my colleagues to support House Concurrent Resolution 131.

Mr. PORTER. Mr. Speaker, I rise in strong support of this resolution. Next year is the International Year of the Oceans as designated by the United Nations. This designation hopes to draw attention to the need for conservation of the limited resources that our

oceans provide. For years, humans have considered ocean resources as inexhaustible. As evidenced by the depletion and extinction of many fish species, the destruction of coral reefs and the pollution of waters around the globe, these resources are finite. We cannot continue to harvest the ocean without replenishing what we take. I am very pleased that the U.S. House of Representatives is recognizing the importance of the oceans and the need for the world to stop taking what they provide for granted. The oceans are an integral part of our lives whether we rely on them for food, transport or recreation. If we do not properly maintain our oceans, they will not continue to sustain us.

Mr. FARR of California. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

GENERAL LEAVE

Mr. SAXTON. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days to revise and extend their remarks and to include extraneous material on the concurrent resolution under consideration.

The SPEAKER pro tempore (Mr. UPTON). Is there objection to the request of the gentleman from New Jersey?

There was no objection.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from New Jersey [Mr. SAXTON] that the House suspend the rules and agree to the concurrent resolution, House Concurrent Resolution 131, as amended.

The question was taken.

Mr. CONDIT. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Pursuant to clause 5 of rule I and the Chair's prior announcement, further proceedings on this motion will be postponed.

The point of no quorum is considered withdrawn.

CORAL REEF CONSERVATION ACT OF 1997

Mr. SAXTON. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 2233) to assist in the conservation of coral reefs, as amended.

The Clerk read as follows:

H.R. 2233

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Coral Reef Conservation Act of 1997".

SEC. 2. PURPOSES.

The purposes of this Act are the following:

(1) To preserve, sustain, and restore the health of coral reef ecosystems.

(2) To assist in the conservation and protection of coral reefs by supporting conservation programs.

(3) To provide financial resources for those programs.

(4) To establish a formal mechanism for collecting and allocating monetary donations from the private sector to be used for coral reef conservation projects.

SEC. 3. DEFINITIONS.

In this Act:

(1) CORAL.—The term "coral" means species of the phylum Cnidaria, including—

(A) all species of the orders Antipatharia (black corals), Scleractinia (stony corals), Gorgonacea (horny corals), Stolonifera (organpipe corals and others), and Coenothecalia (blue coral), of the class Anthozoa; and

(B) all species of the order Hydrocorallina (fire corals and hydrocorals), of the class Hydrozoa.

(2) CORAL REEF.—The term "coral reef" means any reef or shoal composed primarily of the skeletal material of species of the order Scleractinia (class Anthozoa).

(3) CORAL REEF ECOSYSTEM.—The term "coral reef ecosystem" means the complex of species associated with coral reefs and their environment that—

(A) functions as an ecological unit in nature; and

(B) is necessary for that function to continue.

(4) CORALS AND CORAL PRODUCTS.—The term "corals and coral products" means any living or dead specimens, parts, or derivatives, or any product containing specimens, parts, or derivatives, of any species referred to in paragraph (1).

(5) CONSERVATION.—The term "conservation" means the use of methods and procedures necessary to preserve or sustain corals and species associated with coral reefs as diverse, viable, and self-perpetuating coral reef ecosystems, including all activities associated with resource management, such as conservation, protection, restoration, and management of habitat; habitat monitoring; assistance in the development of management strategies for marine protected areas and marine resources consistent with the National Marine Sanctuaries Act (16 U.S.C. 1431 et seq.) and the Magnuson-Stevens Fishery Conservation and Management Act (16 U.S.C. 1801 et seq.); law enforcement through community participation; conflict resolution initiatives; and community outreach and education.

(6) FUND.—The term "Fund" means the Coral Reef Conservation Fund established under section 5(a).

(7) SECRETARY.—The term "Secretary" means the Secretary of Commerce.

SEC. 4. CORAL REEF CONSERVATION ASSISTANCE.

(a) IN GENERAL.—The Secretary, subject to the availability of funds, shall use amounts in the Fund to provide grants of financial assistance for projects for the conservation of coral reefs for which final project proposals are approved by the Secretary in accordance with this section.

(b) PROJECT PROPOSAL.—Any relevant natural resource management authority of a State or territory of the United States or other government jurisdiction with coral reefs whose activities directly or indirectly affect coral reefs, or any nongovernmental organization or individual with demonstrated expertise in the conservation of coral reefs, may submit to the Secretary a project proposal under this section. Each proposal shall include the following:

(1) The name of the individual responsible for conducting the project.

(2) A succinct statement of the purposes of the project.

(3) A description of the qualifications of the individuals who will conduct the project.

(4) An estimate of the funds and time required to complete the project.

(5) Evidence of support of the project by appropriate representatives of States or territories of the United States or other government jurisdictions in which the project will be conducted, if the Secretary determines that the support is required for the success of the project.

(6) Information regarding the source and amount of matching funding available to the applicant.

(7) Any other information the Secretary considers to be necessary for evaluating the eligibility of the project for funding under this Act.

(c) PROJECT REVIEW AND APPROVAL.—

(1) IN GENERAL.—The Secretary shall review each final project proposal to determine if it meets the criteria set forth in subsection (d).

(2) CONSULTATION: APPROVAL OR DISAPPROVAL.—Not later than 6 months after receiving a final project proposal, and subject to the availability of funds, the Secretary shall—

(A) request written comments on the proposal from each State or territory of the United States or other government jurisdiction, including the relevant regional fishery management councils established under the Magnuson-Stevens Fishery Conservation and Management Act (16 U.S.C. 1801 et seq.), within which the project is to be conducted;

(B) provide for the meritbased peer review of the proposal and require standardized documentation of that peer review;

(C) after reviewing any written comments and recommendations based on merit review, approve or disapprove the proposal; and

(D) provide written notification of that approval or disapproval to the person who submitted the proposal, and each of those States, territories, and other government jurisdictions.

(d) CRITERIA FOR APPROVAL.—The Secretary may approve a final project proposal under this section if the project will enhance programs for conservation of coral reefs by assisting efforts to—

(1) implement conservation programs;

(2) address the conflicts arising from the use of environments near coral reefs or from the use of corals, species associated with coral reefs, and coral products;

(3) enhance compliance with laws that prohibit or regulate the taking of corals, species associated with coral reefs, and coral products or regulate the use and management of coral reef ecosystems;

(4) develop sound scientific information on the condition of coral reef ecosystems or the threats to such ecosystems; or

(5) promote cooperative projects on coral reef conservation that involve foreign governments, affected local communities, nongovernmental organizations, or others in the private sector.

(e) PROJECT SUSTAINABILITY.—In determining whether to approve project proposals under this section, the Secretary shall give priority to projects which promote sustainable development and ensure effective, long-term conservation of coral reefs.

(f) PROJECT REPORTING.—Each grantee under this section shall provide periodic reports, as the Secretary considers necessary, to the Secretary. Each report shall include all information required by the Secretary for evaluating the progress and success of the project.

(g) MATCHING FUNDS.—The Secretary may not approve a project under this section unless the Secretary determines that there are non-Federal matching funds available to pay at least 50 percent of the total cost of the project.

SEC. 5. CORAL REEF CONSERVATION FUND.

(a) ESTABLISHMENT.—There is established in the general fund of the Treasury a separate account, to be known as the "Coral Reef Conservation Fund", which shall consist of amounts deposited into the Fund by the Secretary of the Treasury under subsection (b).

(b) DEPOSITS INTO THE FUND.—The Secretary of the Treasury shall deposit into the Fund—

(1) all amounts received by the Secretary in the form of monetary donations under subsection (d); and

(2) other amounts appropriated to the Fund.

(c) USE.—

(1) IN GENERAL.—Subject to paragraph (2), the Secretary may use amounts in the Fund without further appropriation to provide assistance under section 4.

(2) ADMINISTRATION.—Of amounts in the Fund available for each fiscal year, the Secretary may use not more than 3 percent to administer the Fund.

(d) ACCEPTANCE AND USE OF MONETARY DONATIONS.—The Secretary may accept and use monetary donations to provide assistance under section 4. Amounts received by the Secretary in the form of donations shall be transferred to the Secretary of the Treasury for deposit into the Fund.

SEC. 6. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated to the Fund $1,000,000 for each of fiscal years 1998, 1999, 2000, 2001, and 2002 to carry out this Act, which may remain available until expended.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from New Jersey [Mr. SAXTON] and the gentleman from California [Mr. FARR], each will control 20 minutes.

The Chair recognizes the gentleman from New Jersey [Mr. SAXTON].

Mr. SAXTON. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, we are now considering H.R. 2233, the Coral Reef Conservation Act of 1997.

The gentleman from Hawaii [Mr. ABERCROMBIE] and I and the gentleman from California [Mr. FARR] introduced this bill to promote conservation of coral reef ecosystems.

The Committee on Resources Subcommittee on Fisheries Conservation, Wildlife, and Oceans, which I chair, had two coral-reef-related hearings this year, and it is very clear that coral reefs are an important natural resource for coastal nations worldwide and many U.S. States and territories. Reefs generate significant tourism, provide habitat for many commercial fisheries, and protect coastlines from storm damage.

Unfortunately, coral reefs worldwide are also in great danger from both natural and human-induced causes. In the U.S. waters near Florida, six new coral reef diseases have been identified in the last 5 years, and they are spreading rapidly. In the Philippines, an astounding 70 percent of native reef environments have been obliterated by destructive fishing practices such as, believe it or not, dynamiting and cyanide fishing.

This bill establishes a coral reef conservation fund which is modeled after existing programs such as the very successful African elephant conservation program. This fund will contain both appropriated moneys and donations. Grants from the fund will support conservation projects which benefit coral reefs worldwide.

The bill authorizes $1 million to be appropriated into the fund annually for the next 5 years and requires that all grants be matched by other funds on a one-to-one basis.

Mr. Speaker, this type of conservation approach has been very successful for African elephants and other threatened species. I believe that this bill can make a difference in reducing damage to coral reefs worldwide. I urge my colleagues on both sides of the aisle to support the bill.

Mr. Speaker, I reserve the balance of my time.

Mr. FARR of California. Mr. Speaker, I yield myself such time as I may consume.

I rise in support of H.R. 2233. This bill will help provide much needed funding for research and conservation projects at coral reef ecosystems. The health of these ecosystems is in decline globally due to a wide range of threats, including nonsource pollution, destructive fishing practices, unwise coastal development, and global climate change. If we do not act decisively and soon, there will be no reefs left to save in just a few years.

Why is it important to save it? The reefs essentially are the rain forests of the ocean. That is where most of the biological life live. If we lose these reefs, we lose much more than just their picturesque beauty, we lose a world class storehouse of marine biodiversity and a renewable economic resource that is vital to coastal and insular nations.

H.R. 2233 is a good first step in addressing these problems. The amendment before the House requires a match for every Federal dollar so that research funds can even go further than originally drafted. I support the amendment. I urge all my colleagues on this side of the aisle to do so as well.

Mr. Speaker, I yield back the balance of my time.

Mr. SAXTON. Mr. Speaker, I yield myself such time as I may consume.

I would just conclude by saying that the gentleman from California [Mr. FARR] and I made note of some successes that we have had over the last decade in terms of protecting the ocean habitat.

While this is one of the great failures of humankind in the way we have taken the coral reef systems for granted and the practices that we have continued to perpetuate that have caused great damage to the coral reef systems, which, as Mr. FARR eloquently pointed out, are immensely important to the ocean ecosystems and the interdependence of life in the oceans, when we held our hearings and it was brought to light publicly that two of the ways, two of the techniques of fishing are through the use of dynamite and cyanide, I looked at those issues with some disbelief. But we should not look at those issues with disbelief because they are, in fact, practices that are used which do cause great damage not only to the coral reef system but, obviously, to other life in the oceans as well.

While we have had some successes over the last 10 years, it is pretty obvious that our work is not completed. Passage of this bill is perhaps a good first step in addressing the problems that are still to be addressed.

Mr. YOUNG of Alaska. Mr. Speaker, I rise in support of H.R. 2233, the Coral Reef Conservation Act, a bill introduced by our colleagues JIM SAXTON and NEIL ABERCROMBIE.

While there may be only a few scattered corals in Alaska, coral reefs represent a new frontier source for medicines and lifesaving products. In addition, they provide natural protection for coastlines from high waves, storm surges, coastal erosion, and accompanying threats to human life and property.

Furthermore, coral reefs are particularly important in generating tourism, and they contain some of the world's most productive marine habitats. These reefs make a real contribution to the economies where they are located.

This bill is a positive effort to protect our Nation's coral reefs, and I am confident that the Department of Commerce will effectively manage the Coral Reef Conservation Fund.

Mr. SAXTON. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from New Jersey [Mr. SAXTON] that the House suspend the rules and pass the bill, H.R. 2233, as amended.

The question was taken.

Mr. CONDIT. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Pursuant to clause 5 of rule I and the Chair's prior announcement, further proceedings on this motion will be postponed.

The point of no quorum is considered withdrawn.

GENERAL LEAVE

Mr. SAXTON. Mr. Speaker, I ask unanimous consent that all Members have 5 legislative days to revise and extend their remarks and include extraneous material on H.R. 2233, the bill just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

CANADIAN RIVER RECLAMATION PROJECT

Mr. THORNBERRY. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 2007) to amend the Act that authorized the Canadian River reclamation project, Texas, to direct the Secretary of the Interior to allow use of the project distribution system to transport water from sources other that the project, as amended.

The Clerk read as follows:

H.R. 2007

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. USE OF DISTRIBUTION SYSTEM OF CANADIAN RIVER RECLAMATION PROJECT, TEXAS, TO TRANSPORT NONPROJECT WATER.

The Act of December 29, 1950 (chapter 1183; 43 U.S.C. 600b, 600c), authorizing construction, operation, and maintenance of the Canadian River reclamation project, Texas, is amended by adding at the end the following new section:

"SEC. 4. (a) The Secretary of the Interior shall allow use of the project distribution system (including all pipelines, aqueducts, pumping plants, and related facilities) for transport of water from the Canadian River Conjunctive Use Groundwater Project to municipalities that are receiving water from the project. Such use shall be subject only to such environmental review as is required under the Memorandum of Understanding, No. 97–AG–60–09340, between the Bureau of Reclamation and the Canadian River Municipal Water Authority, and a review and approval of the engineering design of the interconnection facilities to assure the continued integrity of the project. Such environmental review shall be completed within 90 days after the date of enactment of this section.

"(b) The Canadian River Municipal Water Authority shall bear the responsibility for all costs of construction, operation, and maintenance of the Canadian River Conjunctive Use Groundwater Project, and for costs incurred by the Secretary in conducting the environmental review of the project. The Secretary shall not assess any additional charges in connection with the Canadian River Conjunctive Use Groundwater Project.".

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Texas [Mr. THORNBERRY] and the gentleman from California [Mr. FARR], each will control 20 minutes.

The Chair recognizes the gentleman from Texas [Mr. THORNBERRY].

Mr. THORNBERRY. Mr. Speaker, I yield myself such time as I may consume.

I rise in support of H.R. 2007. This bill directs the Secretary of the Interior to allow the use of the Bureau of Reclamation facilities in Texas for the transport of water from the proposed Canadian River conjunctive use ground-water project to municipalities receiving water from the existing reclamation project.

This additional water is needed because the yield of the Reclamation's Canadian River project is less than originally anticipated and because of ongoing water quality problems associated with the Federal project.

The Canadian River Municipal Water Authority has a proposal to construct this ground-water project in order to supplement project water supplies with better quality ground water. The proposed ground-water project will not require Federal funding. It would be interconnected with the existing Canadian River project facilities in order for the ground water to be mixed with project water and distributed throughout the existing conveyance system.

This legislation is needed because questions have been raised about the authority of the Bureau of Reclamation to allow the interconnection of the non-Federal ground-water project with the Federal Canadian River project facilities. This bill will also ensure that the environmental review of the interconnection facilities is completed in a timely manner.

H.R. 2007 further stipulates that all of the costs for construction, operation, and maintenance of the groundwater project are the responsibility of the Canadian River Municipal Water Authority. This bill goes a long way to resolving at no cost to the Federal Government the water quality and water supply issues facing 11 cities in the High Plains area of Texas, including Lubbock and Amarillo. I urge my colleagues to support this bill.

Mr. Speaker, I reserve the balance of my time.

Mr. FARR of California. Mr. Speaker, I yield myself such time as I may consume, and I rise in opposition to H.R. 2007.

Mr. Speaker, this bill amends the authorization for the Canadian River project in Texas. I think while the project underlying this bill represents a worthwhile effort to improve water quality for several communities in the High Plains of Texas, the bill itself is entirely unnecessary.

The bill would grant the local water authority the right to use excess capacity of the Bureau of Reclamation facilities to manage non-Federal ground water through the Canadian River Authority's conjunctive use ground-water project. That project would make necessary improvements to the urban water quality. However, the project is already going forward under existing authorization for the Canadian River project.

The Bureau of Reclamation has entered memorandums of understanding with the Canadian River Authority and has begun environmental review of the project. The Bureau can incorporate the ground-water conjunctive use project within the existing project's authority. There is simply no need for this bill. It is not only unnecessary but the big problem is, it would constrain the Bureau of Reclamation's review of the ground-water project under the National Environmental Policy Act.

The administration has expressed continuing concerns regarding the bill's potential to override NEPA. Yet the bill proponents have been unwilling to remove the NEPA language from the bill.

I want to thank the chairman of the subcommittee, the gentleman from California [Mr. DOOLITTLE], for the work his staff has put into improving the language of this bill. The bill now provides the Bureau of Reclamation to approve the engineering designs in order to avoid potential problems with the system. It also includes language to ensure the local water district that it pay for the expenses associated with the project. However, as long as the override of the NEPA policy act is in the bill, I must oppose the legislation as unnecessary and inappropriate.

□ 1300

Mr. FARR of California. Mr. Speaker, I reserve the balance of my time.

Mr. THORNBERRY. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I think it is helpful for someone who has been involved in this project from the beginning to give a brief review of some of the difficulties that has made this legislation necessary.

As a matter of fact, there have been 88 changes to the project over time, none of which have caused any sort of question to arise from the Bureau of Reclamation as for the authority to tie in privately financed changes into the existing project. And this project itself has been on the drawing books for at least 5 years. The Bureau knew about it every step of the way, and yet not until February of this year did they raise any questions about it.

I will make part of the RECORD some of the letters that the Municipal Water Authority has received from the Bureau questioning whether the Bureau has even the authority to allow this project to go forward.

As a matter of fact, I will quote briefly from a February 21, 1997, letter signed by Mrs. Elizabeth Cordova-Harrison, area manager, that says:

> The implementation of the current proposal to convey groundwater via the pipeline project would require new or amendatory legislative authority.

Of course, then they study it a little bit more; and on April 1997 they write back, I will put the full letter in the RECORD, but basically they believe, well, maybe we find that we do have the authority after all.

The point of that is that there is at least some question, at least with some people in the Bureau, about whether there is the legislative authority to allow this privately financed, independently-obtained groundwater supply and mix it with the current supplies.

H.R. 2007 has been amended. It requires an environmental review. That environmental review is going to be

paid for by the water district itself, not by the Federal Government. We have bent over backward to make sure that all of the provisions of this measure are consistent with the intent of this Congress, but also that there are not unnecessary bureaucratic delays because of some confusion as far as the legislative authority by the Bureau of Reclamation.

That is why this legislation exists. We have worked in a bipartisan way with Members on the other side of the aisle to come up with this language, and I believe it makes a lot of sense.

Mr. Speaker, I reserve the balance of my time.

Mr. FARR of California. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, let me point out to my colleagues what the problem is, as expressed in a letter from the Secretary of Interior, the Assistant for Water and Science, Patricia Beneke. In that letter to the chairman of the committee, the gentleman from California [Mr. DOOLITTLE], she points out that

> The intent of referencing the MOU seems to be to limit the scope of required environmental review, because the MOU itself is expressly limited to preparation and finalization of an environmental assessment.

And she goes on to say,

> While the MOU itself does not preclude a full environmental impact statement, as well as full compliance with other environmental laws, its reference in the legislation, its incorporation in the legislation, could be construed as a limitation on the scope of the environmental review. This part of the bill thus arguably legislatively prejudges that the project will pose no significant impacts and that an environmental assessment fulfills our NEPA requirement.

Similarly,

in another part of the bill,

> the bill would mandate that any environmental review be completed within 90 days after the date of enactment. This too prejudices the project that the project will not require a full environmental impact statement. Moreover, a portion of the work is being conducted by the Authority's contractor, and Reclamation has no control over the quality or timing of the contractor's project.

So there are, essentially, two concerns that the administration is raising about this bill which I bring to the House, which seems to me could be addressed by appropriate amendments. Those amendments have not come forth, and so at this point we object to the legislation.

Mr. Speaker, I reserve the balance of my time.

Mr. THORNBERRY. Mr. Speaker, I have no further requests for time at this point, and I continue to reserve the balance of my time until the time on the other side is yielded back.

Mr. FARR of California. Mr. Speaker, I yield back the balance of my time.

Mr. THORNBERRY. Mr. Speaker, I include the following two letters for the RECORD:

U.S. DEPARTMENT OF THE INTERIOR,
BUREAU OF RECLAMATION, GREAT PLAINS REGION, AUSTIN RECLAMATION OFFICE,
Austin, TX, April 10, 1997.

Mr. JOHN WILLIAMS, P.E.
General Manager, Canadian River Municipal Water Authority, Sanford, TX.

Subject: Use of Project Conveyance Facilities—Canadian River Project, Texas.

DEAR MR. WILLIAMS: This is in reference to our letter dated February 21, 1997, concerning the augmentation of existing Canadian River Project (Project) water supplies with groundwater from wells located east of the Project. As explained in the letter, our preliminary evaluation indicated the lack of general authority to allow the use of reclamation project facilities for storing or conveying non-project water, and that such use of project facilities would require new or amendatory legislation.

A more comprehensive review of Reclamation laws has revealed existing statutes which provide sufficient authority to allow the incorporation of the proposed ground water project's facilities and water into the Canadian River Project. This can be accomplished administratively without further legislative action, but would require review, approval and compliance under existing processes and regulatory laws, including the National Environmental Policy Act.

If you would like to pursue the option outlined above, we recommend that a meeting be scheduled to discuss the administrative process required for incorporating the ground water project into existing facilities.

If you have any questions, or need any additional information, please contact me or Mike Martin of this office at telephone No. (512) 916-5641.

Sincerely,
ELIZABETH CORDOVA-HARRISON,
Area Manager.

U.S. DEPARTMENT OF THE INTERIOR,
BUREAU OF RECLAMATION, GREAT PLAINS REGION, OKLAHOMA-TEXAS AREA OFFICE,
Oklahoma City, OK, February 21, 1997.

Mr. JOHN WILLIAMS, P.E.,
General Manager, Canadian River Municipal Water Authority, Sanford, TX.

Subject: Use of Project Facilities for Conveyance of Non-Project Water, Canadian River Project, Texas.

DEAR MR. WILLIAMS: This follow up letter is in reference to our meeting at your office on January 22, 1997, during which we discussed various matters concerning the Canadian River Project. Among the issues covered were the transfer of title to project aqueduct facilities, project financial concerns, and the augmentation of existing project water supplies with groundwater from wells located in Hutchinson County, Texas. The need for compliance with provisions of the National Environmental Policy Act (NEPA) and other applicable statutes for title transfer and modification of a Federal project was also addressed.

We have reviewed existing laws relating to the use of Reclamation projects for storing or conveying non-project water (water from outside the originally authorized project). Based on this preliminary evaluation, it appears that the authority for allowing such use of project facilities is limited solely to water for irrigation purposes. Presently, we are without adequate authority to allow the use of Canadian River Project facilities for the storage or conveyance of non-project water for municipal and industrial purposes. Accordingly, the implementation of the current proposal to convey groundwater via the project pipeline would require new or amendatory legislative authority.

If you have any questions, or need any additional information, please contact me or Mike Martin at (512) 916-5641.

Sincerely,
ELIZABETH CORDOVA-HARRISON,
Area Manager.

Mr. Speaker, the final comment I would make is that there has been no suggestion by any party, anyone associated, that there is any environmental problem or potential problem associated here; and that is one of the reasons that I think the negotiations are currently going at a rapid pace.

Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Texas [Mr. THORNBERRY] that the House suspend the rules and pass the bill, H.R. 2007, as amended.

The question was taken.

Mr. CONDIT. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Pursuant to clause 5 of rule I, and the Chair's prior announcement, further proceedings on this motion will be postponed.

The point of no quorum is considered withdrawn.

GENERAL LEAVE

Mr. THORNBERRY. Mr. Speaker, I ask unanimous consent that all Members have 5 legislative days to revise and extend their remarks and include extraneous material on H.R. 2007, the bill just considered.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas [Mr. THORNBERRY]?

There was no objection.

MICCOSUKEE SETTLEMENT ACT OF 1997

Mr. THORNBERRY. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 1476) to settle certain Miccosukee Indian land takings claims within the State of Florida.

The Clerk read as follows:

H.R. 1476

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Miccosukee Settlement Act of 1997".

SEC. 2. CONGRESSIONAL FINDINGS.

Congress finds and declares that—

(1) there is pending before the United States District Court for the Southern District of Florida a lawsuit by the Miccosukee Tribe which involves the taking of certain tribal lands in connection with the construction of highway interstate 75 by the Florida Department of Transportation;

(2) the pendency of this lawsuit clouds title of certain lands used in the maintenance and operation of the highway and hinders proper planning for future maintenance and operations;

(3) the Florida Department of Transportation, with the concurrence of the board of trustees of the Internal Improvements Trust Fund of the State of Florida, and the Miccosukee Tribe have executed an agreement for the purpose of resolving the dispute and settling the lawsuit, which agreement requires consent of the Congress in connection with contemplated land transfers;

(4) the settlement agreement is in the interests of the Miccosukee Tribe in that the tribe will receive certain monetary payments, new reservation land to be held in trust by the United States, and other benefits;

(5) land received by the United States pursuant to the settlement agreement is in consideration of Miccosukee Indian Reservation land lost by the Miccosukee Tribe by virtue of transfer to the Florida Department of Transportation under the settlement agreement, and such United States land therefore shall be held in trust by the United States for the use and benefit of the Miccosukee Tribe as Miccosukee Indian Reservation land in compensation for the consideration given by the tribe in the settlement agreement; and

(6) Congress shares with the parties to the settlement agreement a desire to resolve the dispute and settle the lawsuit.

SEC. 3. DEFINITIONS.

For the purposes of this Act—

(1) the terms "Miccosukee Tribe" and "tribe" mean the Miccosukee Tribe of Indians of Florida, a tribe of American Indians recognized by the United States and organized under section 16 of the Act of June 18, 1934 (48 Stat. 987; 25 U.S.C. 476), and recognized by the State of Florida pursuant to chapter 285, Florida Statutes;

(2) the term "Miccosukee land" means land held in trust by the United States for the use and benefit of the Miccosukee Tribe as Miccosukee Indian Reservation land which is identified pursuant to the settlement agreement for transfer to the Florida Department of Transportation;

(3) the term "Florida Department of Transportation" means the executive branch department and agency of the State of Florida responsible for, among other matters, the construction and maintenance of surface vehicle roads, existing pursuant to section 20.23, Florida Statutes, with authority to execute the settlement agreement pursuant to section 334.044, Florida Statutes;

(4) the term "board of trustees of the Internal Improvements Trust Fund" means the agency of the State of Florida holding legal title to and responsible for trust administration of certain lands of the State of Florida, consisting of the Florida Governor, Attorney General, Commissioner of Agriculture, Commissioner of Education, Controller, Secretary of State, and Treasurer sitting as trustees;

(5) the term "State of Florida" means all agencies or departments of the State of Florida, including the Florida Department of Transportation and the board of trustees of the Internal Improvements Trust Fund, as well as the State itself as a governmental entity;

(6) the term "Secretary" means the United States Secretary of the Interior;

(7) the term "land transfers" means those lands identified in the settlement agreement fro transfer from the United States to the Florida Department of Transportation and those lands identified in the settlement agreement for transfer from the State of Florida to the United States;

(8) the term "lawsuit" means the action in the United States District Court for the Southern District of Florida, entitled Miccosukee Tribe of Indians of Florida v. State of Florida and Florida Department of Transportation, et al., docket number 91-6285-Civ-Paine; and

(9) the terms "settlement agreement" and "agreement" mean those documents entitled "settlement agreement" (with incorporated exhibits), which identifies the lawsuit in the first paragraph, which was signed on page 15 therein on August 28, 1996, by Ben G. Watts (Secretary of the Florida Department of Transportation) and Billy Cypress (Chairman of the Miccosukee Tribe), and thereafter concurred in by the board of trustees of the Internal Improvements Trust Fund of the State of Florida.

SEC. 4. AUTHORITY OF SECRETARY.

As trustee for the Miccosukee Tribe, the Secretary shall:

(1) Aid and assist in the fulfillment of the settlement agreement at all times and in all reasonable manner, and cooperate with and assist the Miccosukee Tribe for this purpose.

(2) Upon finding that the settlement agreement is legally sufficient and that the State of Florida and its agencies have the necessary authority to fulfill the agreement, sign the settlement agreement on behalf of the United States, and have a representative of the Bureau of Indian Affairs sign the settlement agreement as well.

(3) Upon finding that all necessary conditions precedent to the transfer of Miccosukee land to the Florida Department of Transportation as provided in the settlement agreement have been or will be met so that the agreement has been or will be fulfilled but for the execution of this land transfer and related land transfers, transfer ownership of the Miccosukee land to the Florida Department of Transportation as provided in the settlement agreement, including in such transfer solely and exclusively that Miccosukee land identified in the settlement agreement for such transfer and no other land.

(4) Upon finding that all necessary conditions precedent to the transfer of Florida land to the United States have been or will be met so that the agreement has been or will be fulfilled but for the execution of this land transfer and related land transfers, receive and accept in trust for the use and benefit of the Miccosukee Tribe ownership of all land identified in the settlement agreement for transfer to the United States, constituting thereby Indian Reservation lands of the Miccosukee Tribe.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Texas [Mr. THORNBERRY] and the gentleman from California [Mr. FARR] each will control 20 minutes.

The Chair recognizes the gentleman from Texas [Mr. THORNBERRY].

Mr. THORNBERRY. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of H.R. 1476, the proposed Miccosukee Settlement Act of 1977, which provides that Congress consents to a settlement agreement reached between the State of Florida, the Miccosukee Tribe, and the U.S. Department of the Interior involving the transfer of rights-of-way from the tribe to the State.

Included in the settlement agreement are provisions relating to airboat access to certain lands, the relocation of a microwave tower, interchange lighting at the Snake Road interchange, and the conveyance of 22.87 acres of land to the United States by the State of Florida.

Also included in the settlement agreement are provisions whereby the tribe agrees to dismiss certain litigation pending against the State and to release and forever discharge any and all claims the tribe may have against the Florida Department of Transportation and State of Florida in any way related to Interstate Highway 75.

Mr. Speaker, I believe this measure deserves the support of the House.

Mr. Speaker, I reserve the balance of my time.

Mr. FARR of California. Mr. Speaker, I yield as much time as he may consume to the gentleman from Michigan [Mr. KILDEE], a long and experienced Member on these issues, distinguished Member of this House.

Mr. KILDEE. Mr. Speaker, I thank the gentleman for yielding me time.

We also support passage of this act. This bill ratifies a 1996 settlement of a lawsuit between the Miccosukee Tribe in Florida over lands taken by the State for construction of Alligator Alley across the Everglades.

Under the terms of this agreement, the tribe gets $2.1 million, 22 acres of land, and two rights-of-way, while the State gets several rights-of-way from the tribe for highway maintenance and release from the lawsuit. Congress is involved because the agreement calls for the Department of the Interior to approve the rights-of-way given to the State and to place the tribe's newly acquired lands into trust.

I am pleased that the tribe and State have reached this amicable agreement. I also applaud the diligence and hard work of the gentleman from Florida [Mr. DIAZ-BALART]. I also note that the Committee on Resources held a hearing, and just prior to full committee markup the Department sent over several technical changes that have not yet been incorporated into the bill. These are not critical changes, but it is my hope that the Senate will give them fair consideration as it takes up the bill.

Mr. DIAZ-BALART. Mr. Speaker, H.R. 1476, The Miccosukee Settlement Act of 1997, approves and implements a settlement between the State of Florida and the Miccosukee Tribe of Indians of Florida regarding right-of-way usage and dredging during the construction of Interstate Highway I-75—"Alligator Alley"—across tribal lands in the Florida Everglades. This settlement authorizes the Secretary of the Interior to transfer title to certain strips of land used to dredge fill material for the construction of I-75 to the Florida Department of Transportation from its trust status, and in return directs the Secretary to take

into trust for the Miccosukee Tribe as Miccosukee Indian Reservation several parcels of land as compensation.

This land transfer is fully endorsed by the Florida Governor and Cabinet, who sit jointly as the trustees for Florida land and who voted unanimously in favor of this settlement. The Tribe also receives approximately $2 million, better access to its existing reservation through new access ramps on I–75, and airboat launch sites.

I am pleased that the State and the tribe have worked out a fair solution and I recommend passage of the bill.

Mr. THORNBERRY. Mr. Speaker, I have no further requests for time.

Mr. KILDEE. Mr. Speaker, I yield back the balance of my time.

Mr. THORNBERRY. Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Texas [Mr. THORNBERRY] that the House suspend the rules and pass the bill, H.R. 1476.

The question was taken.

Mr. CONDIT. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point or order that a quorum is not present.

The SPEAKER pro tempore. Pursuant to clause 5, rule I, and the Chair's prior announcement, further proceedings on this motion will be postponed.

The point of no quorum is considered withdrawn.

GENERAL LEAVE

Mr. THORNBERRY. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and include extraneous material on H.R. 1476, the bill just debated.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

SMALL BUSINESS PROGRAMS REAUTHORIZATION AND AMENDMENTS ACT OF 1997

Mr. TALENT. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 2261) to reauthorize and amend the programs of the Small Business Act and the Small Business Investment Act, and for other purposes, as amended.

The Clerk read as follows:

H.R. 2261

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the "Small Business Programs Reauthorization and Amendments Acts of 1997".

(b) TABLE OF CONTENTS.—

Sec. 1. Short title; table of contents.

TITLE I—AUTHORIZATIONS

Sec. 101. Authorizations.

TITLE II—FINANCIAL PROGRAMS

Subtitle A—General Business Loans

Sec. 201. Securitization regulations.
Sec. 202. Background check of loan applicants.
Sec. 203. Report on increased lender approval, servicing, foreclosure, liquidation, and litigation of 7(a) loans.
Sec. 204. Completion of planning for loan monitoring system.

Subtitle B—Certified Development Company Program

Sec. 221. Reauthorization of fees.
Sec. 222. PCLP participation
Sec. 223. PCLP eligibility.
Sec. 224. Loss reserves.
Sec. 225. Goals.
Sec. 226. Technical amendments.
Sec. 227. Promulgation of regulations.
Sec. 228. Technical amendment.
Sec. 229. Repeal.
Sec. 230. Loan servicing and liquidation.
Sec. 231. Use of proceeds.
Sec. 232. Lease of property.
Sec. 233. Seller financing.
Sec. 234. Preexisting conditions.

Subtitle C—Small Business Investment Company Program

Sec. 241. 5-year commitments.
Sec. 242. Program reform.
Sec. 243. Fees.
Sec. 244. Examination fees.

Subtitle D—Microloan Program

Sec. 251. Microloan program extension.
Sec. 252. Supplemental microloan grants

TITLE III—WOMEN'S BUSINESS ENTERPRISES

Sec. 301. Reports.
Sec. 302. Council duties.
Sec. 303. Council membership.
Sec. 304. Authorization of appropriations.
Sec. 305. Women's business centers.
Sec. 306. Office of Women's Business Ownership.

TITLE IV—COMPETITIVENESS PROGRAM

Sec. 401. Program term.
Sec. 402. Monitoring agency performance.
Sec. 403. Reports to Congress.
Sec. 404. Small business participation in dredging.
Sec. 405. Technical amendment.

TITLE V—MISCELLANEOUS PROVISIONS

Sec. 501. Small business development centers.
Sec. 502. Small business export promotion.
Sec. 503. Pilot preferred surety bond guarantee program extension.
Sec. 504. Very small business concerns.
Sec. 505. Extension of cosponsorship authority.
Sec. 506. Trade assistance program for small business concerns harmed by NAFTA.

TITLE VI—SERVICE DISABLED VETERANS

Sec. 601. Purposes.
Sec. 602. Definitions.
Sec. 603. Report by Small Business Administration.
Sec. 604. Information collection.
Sec. 605. State of small business report.
Sec. 606. Loans to veterans.
Sec. 607. Entrepreneurial training, counseling, and management assistance.
Sec. 608. Grants for eligible veterans outreach programs.
Sec. 609. Outreach for eligible veterans.

TITLE VII—SMALL BUSINESS TECHNOLOGY TRANSFER PROGRAM

Sec. 701. Amendments.

TITLE I—AUTHORIZATIONS

SEC. 101. AUTHORIZATIONS.

Section 20 of the Small Business Act (15 U.S.C. 631 note) is amended by striking subsections (l) through (q) and inserting the following:

"(l) The following program levels are authorized for fiscal year 1998:

"(1) For the programs authorized by this Act, the Administration is authorized to make—

"(A) $40,000,000 in technical assistance grants, as provided in section 7(m); and

"(B) $60,000,000 in loans, as provided in section 7(m).

"(2) For the programs authorized by this Act, the Administration is authorized to make $15,040,000,000 in deferred participation loans and other financings. Of such sum, the Administration is authorized to make—

"(A) $11,000,000,000 in general business loans as provided in section 7(a);

"(B) $3,000,000,000 in financings as provided in section 7(a)(13) of this Act and section 504 of the Small Business Investment Act of 1958;

"(C) $1,000,000,000 in loans as provided in section 7(a)(21); and

"(D) $40,000,000 in loans as provided in section 7(m).

"(3) For the programs authorized by title III of the Small Business Investment Act of 1958, the Administration is authorized to make—

"(A) $600,000,000 in purchases of participating securities; and

"(B) $500,000,000 in guarantees of debentures.

"(4) For the programs authorized by part B of title IV of the Small Business Investment Act of 1958, the Administration is authorized to enter into guarantees not to exceed $2,000,000,000, of which not more than $650,000,000 may be in bonds approved pursuant to section 411(a)(3) of that Act.

"(5) The Administration is authorized to make grants or enter into cooperative agreements—

"(A) for the Service Corps of Retired Executives program authorized by section 8(b)(1), $4,000,000; and

"(B) for activities of small business development centers pursuant to section 21(c)(3)(G), $15,000,000, to remain available until expended.

"(m)(1) There are authorized to be appropriated to the Administration for fiscal year 1998 such sums as may be necessary to carry out this Act, including administrative expenses and necessary loan capital for disaster loans pursuant to section 7(b), and to carry out the Small Business Investment Act of 1958, including salaries and expenses of the Administration.

"(2) Notwithstanding paragraph (1), for fiscal year 1998—

"(A) no funds are authorized to be provided to carry out the loan program authorized by section 7(a)(21) except by transfer from another Federal department or agency to the Administration, unless the program level authorized for general business loans under subsection (l)(2)(A) is fully funded; and

"(B) the Administration may not approve loans on behalf of the Administration or on behalf of any other department or agency, by contract or otherwise, under terms and conditions other than those specifically authorized under this Act or the Small Business Investment Act of 1958, except that it may approve loans under section 7(a)(21) of this Act in gross amounts of not more than $1,250,000.

"(n) The following program levels are authorized for fiscal year 1999:

"(1) For the programs authorized by this Act, the Administration is authorized to make—

"(A) $60,000,000 in technical assistance grants as provided in section 7(m); and

"(B) $60,000,000 in loans, as provided in section 7(m).

"(2) For the programs authorized by this Act, the Administration is authorized to make $16,540,000,000 in deferred participation loans and other financings. Of such sum, the Administration is authorized to make—

"(A) $12,000,000,000 in general business loans as provided in section 7(a);

"(B) $3,500,000,000 in financings as provided in section 7(a)(13) of this Act and section 504 of the Small Business Investment Act of 1958;

"(C) $1,000,000,000 in loans as provided in section 7(a)(21); and

"(D) $40,000,000 in loans as provided in section 7(m).

"(3) For the programs authorized by title III of the Small Business Investment Act of 1958, the Administration is authorized to make—

"(A) $700,000,000 in purchases of participating securities; and

"(B) $650,000,000 in guarantees of debentures.

"(4) For the programs authorized by part B of title IV of the Small Business Investment Act of 1958, the Administration is authorized to enter into guarantees not to exceed $2,000,000,000, of which not more than $650,000,000 may be in bonds approved pursuant to section 411(a)(3) of that Act.

"(5) The Administration is authorized to make grants or enter cooperative agreements—

"(A) for the Service Corps of Retired Executives program authorized by section 8(b)(1), $4,500,000; and

"(B) for activities of small business development centers pursuant to section 21(c)(3)(G), not to exceed $15,000,000, to remain available until expended.

"(o)(1) There are authorized to be appropriated to the Administration for fiscal year 1999 such sums as may be necessary to carry out this Act, including administrative expenses and necessary loan capital for disaster loans pursuant to section 7(b), and to carry out the Small Business Investment Act of 1958, including salaries and expenses of the Administration.

"(2) Notwithstanding paragraph (1), for fiscal year 1999—

"(A) no funds are authorized to be provided to carry out the loan program authorized by section 7(a)(21) except by transfer from another Federal department or agency to the Administration, unless the program level authorized for general business loans under subsection (n)(2)(A) is fully funded; and

"(B) the Administration may not approve loans on behalf of the Administration or on behalf of any other department or agency, by contract or otherwise, under terms and conditions other than those specifically authorized under this Act or the Small Business Investment Act of 1958, except that it may approve loans under section 7(a)(21) of this Act in gross amounts of not more than $1,250,000.

"(p) The following program levels are authorized for fiscal year 2000:

"(1) For the programs authorized by this Act, the Administration is authorized to make—

"(A) $75,000,000 in technical assistance grants as provided in section 7(m); and

"(B) $60,000,000 in direct loans, as provided in section 7(m).

"(2) For the programs authorized by this Act, the Administration is authorized to make $19,040,000,000 in deferred participation loans and other financings. Of such sum, the Administration is authorized to make—

"(A) $13,500,000,000 in general business loans as provided in section 7(a);

"(B) $4,500,000,000 in financings as provided in section 7(a)(13) of this Act and section 504 of the Small Business Investment Act of 1958;

"(C) $1,000,000,000 in loans as provided in section 7(a)(21); and

"(D) $40,000,000 in loans as provided in section 7(m).

"(3) For the programs authorized by title III of the Small Business Investment Act of 1958, the Administration is authorized to make—

"(A) $850,000,000 in purchases of participating securities; and

"(B) $700,000,000 in guarantees of debentures.

"(4) For the programs authorized by part B of title IV of the Small Business Investment Act of 1958, the Administration is authorized to enter into guarantees not to exceed $2,000,000,000, of which not more than $650,000,000 may be in bonds approved pursuant to the provisions of section 411(a)(3) of that Act.

"(5) The Administration is authorized to make grants or enter cooperative agreements—

"(A) for the Service Corps of Retired Executives program authorized by section 8(b)(1), $5,000,000; and

"(B) for activities of small business development centers pursuant to section 21(c)(3)(G), not to exceed $15,000,000, to remain available until expended.

"(q)(1) There are authorized to be appropriated to the Administration for fiscal year 2000 such sums as may be necessary to carry out this Act, including administrative expenses and necessary loan capital for disaster loans pursuant to section 7(b), and to carry out the provisions of the Small Business Investment Act of 1958, including salaries and expenses of the Administration.

"(2) Notwithstanding paragraph (1), for fiscal year 2000—

"(A) no funds are authorized to be provided to carry out the loan program authorized by section 7(a)(21) except by transfer from another Federal department or agency to the Administration, unless the program level authorized for general business loans under subsection (p)(2)(A) is fully funded; and

"(B) the Administration may not approve loans on behalf of the Administration or on behalf of any other department or agency, by contract or otherwise, under terms and conditions other than those specifically authorized under this Act or the Small Business Investment Act of 1958, except that it may approve loans under section 7(a)(21) of this Act in gross amounts of not more than $1,250,000.".

TITLE II—FINANCIAL PROGRAMS

Subtitle A—General Business Loans

SEC. 201. SECURITIZATION REGULATIONS.

The Administrator shall promulgate final regulations permitting bank and non-bank lenders to sell or securitize the non-guaranteed portion of loans made under section 7(a) of the Small Business Act (15 U.S.C. 636(a)). Such regulations shall be issued within 90 days of the date of enactment of this Act, and shall allow securitizations to proceed as regularly as is possible within the bounds of prudent and sound financial management practice.

SEC. 202. BACKGROUND CHECK OF LOAN APPLICANTS.

Section 7(a)(1) of the Small Business Act (15 U.S.C. 636(a)(1)) is amended by striking "(1)" and inserting the following:

"(1)(A) CREDIT ELSEWHERE.—", and by adding the following new paragraph at the end:

"(B) BACKGROUND CHECKS.—Prior to the approval of any loan made pursuant to this subsection, or section 503 of the Small Business Investment Act, the Administrator shall verify the applicant's criminal background, or lack thereof, through the best available means, including, if possible, use of the National Crime Information Center computer system at the Federal Bureau of Investigation.".

SEC. 203. REPORT ON INCREASED LENDER APPROVAL, SERVICING, FORECLOSURE, LIQUIDATION, AND LITIGATION OF 7(a) LOANS.

(a) Within six months of the date of enactment of this act the Administrator shall report on action taken and planned for future reliance on private sector lender resources to originate, approve, close, service, liquidate, foreclose, and litigate loans made under Section 7(a) of the Small Business Act. The report should address administrative and other steps necessary to achieve these results, including—

(1) streamlining the process for approving lenders and standardizing requirements;

(2) establishing uniform reporting requirements using on-line automated capabilities to the maximum extent feasible;

(3) reducing paperwork through automation, simplified forms or incorporation of lender's forms;

(4) providing uniform standards for approval, closing, servicing, foreclosure, and liquidation;

(5) promulgating new regulations or amending existing ones;

(6) establishing a timetable for implementing the plan for reliance on private sector lenders;

(7) implementing organizational changes at SBA; and

(8) estimating the annual savings that would occur as a result of implementation.

(b) In preparing the report the Administrator shall seek the views and consult with, among others, 7(a) borrowers and lenders, small businesses who are potential program participants, financial institutions who are potential program lenders, and representative industry associations, such as the U. S. Chamber of Commerce, the American Bankers Association, the National Association of Government Guaranteed Lenders and the Independent Bankers Association of America.

SEC. 204. COMPLETION OF PLANNING FOR LOAN MONITORING SYSTEM.

(a) The Administrator shall perform and complete the planning needed to serve as the basis for funding the development and implementation of computerized loan monitoring system, including—

(1) fully defining the system requirement using on-line, automated capabilities to the extent feasible;

(2) identifying all data inputs and outputs necessary for timely report generation;

(3) benchmark loan monitoring business processes and systems against comparable industry processes and, if appropriate, simplify or redefine work processes based on these benchmarks;

(4) determine data quality standards and control systems for ensuring information accuracy;

(5) identify an acquisition strategy and work increments to completion;

(6) analyze the benefits and costs of alternatives and use to demonstrate the advantage of the final project;

(7) ensure that the proposed information system is consistent with the agency's information architecture; and

(8) estimate the cost to system completion, identifying the essential cost element.

(b) Six months from the date of enactment of this Act, the Administrator shall report to the House and Senate Committees on Small Business pursuant to the requirements of subsection (a), and shall also submit a copy of the report to the General Accounting Office, which shall evaluate the report for compliance with subsection (a) and shall submit such evaluation to both Committees no later than 28 days after receipt of the report from the Small Business Administration. None of the funds provided for the purchase of the loan monitoring system may be expended until the requirements of this section have been satisfied.

Subtitle B—Certified Development Company Program

SEC. 221. REAUTHORIZATION OF FEES.

Section 503 of the Small Business Investment Act of 1958 (15 U.S.C. 697) is amended—

(1) by striking subsection (b)(7)(A) and inserting the following:

"(A) assesses and collects a fee, which shall be payable by the borrower, in an amount equal to 0.9375 percent per year of the outstanding balance of the loan; and";

(2) by striking from subsection (d)(2) "equal to 50 basis points" and inserting "equal to not more than 50 basis points,";

(3) by adding the following at the end of subsection (d)(2): "The amount of the fee authorized herein shall be established annually by the Administration in the minimal amount necessary to reduce the cost (as that term is defined in section 502 of the Federal Credit Reform Act of 1990) to the Administration of purchasing and guaranteeing debentures under this Act to zero."; and

(4) by striking from subsection (f) "1997" and inserting "2000".

SEC. 222. PCLP PARTICIPATION.

Section 508(a) of the Small Business Investment Act of 1958 (15 U.S.C. 697e(a)) is amended by striking "not more than 15".

SEC. 223. PCLP ELIGIBILITY.

Section 508(b)(2) of the Small Business Investment Act of 1958 (15 U.S.C. 697e(b)(2)) is amended by striking paragraphs (A) and (B) and inserting:

"(A) is an active certified development company in good standing and has been an active participant in the accredited lenders program during the entire 12-month period preceding the date on which the company submits an application under paragraph (1), except that the Administration may waive this requirement if the company is qualified to participate in the accredited lenders program;

"(B) has a history (i) of submitting to the Administration adequately analyzed debenture guarantee application packages and (ii) of properly closing section 504 loans and servicing its loan portfolio; and".

SEC. 224. LOSS RESERVES.

Section 508(c) of the Small Business Investment Act of 1958 (15 U.S.C. 697e(c)) is amended to read as follows:

"(c) LOSS RESERVE.—

"(1) ESTABLISHMENT.—A company designated as a premier certified lender shall establish a loss reserve for financing approved pursuant to this section.

"(2) AMOUNT.—The amount of the loss reserve shall be equal to 10 percent of the amount of the company's exposure as determined under subsection (b)(2)(C).

"(3) ASSETS.—The loss reserve shall be comprised of any combination of the following types of assets:

"(A) segregated funds on deposit in an account or accounts with a federally insured depository institution or institutions selected by the company, subject to a collateral assignment in favor of, and in a format acceptable to, the Administration; or

"(B) irrevocable letter or letters of credit, with a collateral assignment in favor of, and a commercially reasonable format acceptable to, the Administration.

"(4) CONTRIBUTIONS.—The company shall make contributions to the loss reserve, either cash or letters of credit as provided above, in the following amounts and at the following intervals:

"(A) 50 percent when a debenture is closed;

"(B) 25 percent additional not later than 1 year after a debenture is closed; and

"(C) 25 percent additional not later than 2 years after a debenture is closed.

"(5) REPLENISHMENT.—If a loss has been sustained by the Administration, any portion of the loss reserve, and other funds provided by the premier company as necessary, may be used to reimburse the Administration for the company's 10 percent share of the loss as provided in subsection (b)(2)(C). If the company utilizes the reserve, within 30 days it shall replace an equivalent amount of funds.

"(6) DISBURSEMENTS.—The Administration shall allow the certified development company to withdraw from the loss reserve amounts attributable to any debenture which has been repaid.".

SEC. 225. GOALS.

Section 508 of the Small Business Investment Act of 1958 (15 U.S.C. 697e) is amended by inserting the following after subsection (d) and by redesignating subsections (e) to (i) as (f) to (j):

"(e) PROGRAM GOALS.—Certified development companies participating in this program shall establish a goal of processing 50 percent of their loan applications for section 504 assistance pursuant to the premier certified lender program authorized in this section.".

SEC. 226. TECHNICAL AMENDMENTS.

Section 508(g) of the Small Business Investment Act of 1958 (15 U.S.C. 697(g)) is amended—

(1) in subsection (g), as redesignated herein, is amended by striking "State or local" and inserting "certified";

(2) in subsection (h), as redesignated herein—

(A) by striking "EFFECT OF SUSPENSION OR DESIGNATION" and inserting "EFFECT OF SUSPENSION OR REVOCATION"; and

(B) by striking "under subsection (f)" and inserting "under subsection (g)".

SEC. 227. PROMULGATION OF REGULATIONS.

Section 508(i) of the Small Business Investment Act of 1958 (15 U.S.C. 697e(i)), as redesignated herein, is amended to read as follows:

"(i) REGULATIONS.—Not later than 90 days after the date of enactment of this section, the Administration shall promulgate regulations to carry out this section. Not later than 120 days after the date of enactment, the Administration shall issue program guidelines and implement the changes made herein.".

SEC. 228. TECHNICAL AMENDMENT.

Section 508(j) of the Small Business Investment Act of 1958 (15 U.S.C. 697e(j)), as redesignated herein, is amended by striking "other lenders" and inserting "other lenders, specifically comparing default rates and recovery rates on liquidations".

SEC. 229. REPEAL.

Section 217(b) of Public Law 103-403 (108 Stat. 4185) is repealed.

SEC. 230. LOAN SERVICING AND LIQUIDATION.

Section 508(d)(1) of the Small Business Investment Act of 1958 (15 U.S.C. 697e(d)) is amended by striking "to approve loans" and inserting "to approve, authorize, close, service, foreclose, litigate, and liquidate loans".

SEC. 231. USE OF PROCEEDS.

Section 502(1) of the Small Business Investment Act of 1958 (15 U.S.C. 696(1)) is amended to read as follows:

"(1) The proceeds of any such loan shall be used solely by such borrower or borrowers to assist an identifiable small-business or businesses and for a sound business purpose approved by the Administration.".

SEC. 232. LEASE OF PROPERTY.

Section 502 of the Small Business Investment Act of 1958 (15 U.S.C. 696) is amended by adding the following new subsection:

"(5) Not to exceed 25 percent of any project may be permanently leased by the assisted small business: *Provided*, That the assisted small business shall be required to occupy and use not less than 55 percent of the space in the project after the execution of any leases authorized in this section.".

SEC. 233. SELLER FINANCING AND COLLATERALIZATION.

Section 502(3) of the Small Business Investment Act of 1958 (15 U.S.C. 696(3)) is amended by inserting the following new subparagraphs:

"(D) SELLER FINANCING.—Seller provided financing may be used to meet the requirements of—

"(i) paragraph (B), if the seller subordinates his interest in the property to the debenture guaranteed by the Administration; and

"(ii) not to exceed 50 percent of the amounts required by paragraph (C).

"(E) COLLATERALIZATION.—The collateral provided by the small business concern generally shall include a subordinate lien position on the property being financed under this title, and is only one of the factors to be evaluated in the credit determination. Additional collateral shall be required only if the Administration determines, on a case by case basis, that additional security is necessary to protect the interest of the Government.".

SEC. 234. PREEXISTING CONDITIONS.

Section 502 of the Small Business Investment Act of 1958 (15 U.S.C. 696) is amended by adding the following new paragraph:

"(6) Any loan authorized under this section shall not be denied or delayed for approval by the Administration due to concerns over preexisting environmental conditions: *Provided*, That the development company provides the Administration a letter issued by the appropriate State or Federal environmental protection agency specifically stating that the environmental agency will not institute any legal proceedings against the borrower or, in the event of a default, the development company or the Administration based on the preexisting environmental conditions: *Provided further*, That the borrower shall agree to provide environmental agencies access to the property for any reasonable and necessary remediation efforts or inspections.".

Subtitle C—Small Business Investment Company Program

SEC. 241. 5-YEAR COMMITMENTS.

Section 20(a)(2) of the Small Business Act (15 U.S.C. 631 note) is amended in the last sentence by striking "the following fiscal year" and inserting "any one or more of the 4 subsequent fiscal years".

SEC. 242. PROGRAM REFORM.

(a) TAX DISTRIBUTIONS.—Section 303(g)(8) of the Small Business Investment Act of 1958 (15 U.S.C. 683(g)(8)) is amended in the first sentence—

(1) by inserting ", for each calendar quarter or once annually, as the company may elect," after "the company may"; and

(2) by inserting "for the preceding quarter or year" before the period.

(b) LEVERAGE FEE.—Section 303(i) of the Small Business Investment Act of 1958 (15 U.S.C. 683(i)) is amended by striking ", payable upon" and all that follows before the period and inserting the following: "in the following manner: 1 percent upon the date on which the Administration enters into any commitment for such leverage with the licensee, and the balance of 2 percent (or 3 percent in which case in which no commitment has been entered into by the Administration) on the date on which the leverage is drawn by the licensee".

(c) PERIODIC ISSUANCE OF GUARANTEES AND TRUST CERTIFICATES.—Section 320 of the Small Business Investment Act of 1958 (15 U.S.C. 687m) is amended by striking "three months" and inserting "6 months".

(d) INDEXING FOR LEVERAGE.—Section 303 of the Small Business Investment Act of 1958 (15 U.S.C. 683) is amended—

(1) in subsection (b)—

(A) in paragraph (2), by adding at the end the following:

"(D)(i) The dollar amounts in subparagraphs (A), (B), and (C) shall be adjusted annually to reflect increases in the Consumer Price Index established by the Bureau of Labor Statistics of the Department of Labor.

"(ii) The initial adjustments made under this subparagraph after the date of enactment of the Small Business Reauthorization Act of 1997 shall reflect only increases from March 31, 1993."; and

(B) by striking paragraph (4) and inserting the following:

"(4) MAXIMUM AGGREGATE AMOUNT OF LEVERAGE.—

"(A) IN GENERAL.—Except as provided in subparagraph (B), the aggregate amount of outstanding leverage issued to any company or companies that are commonly controlled (as determined by the Administrator) may not exceed $90,000,000, as adjusted annually for increases in the Consumer Price Index.

"(B) EXCEPTIONS.—The Administrator may, on a case-by-case basis—

"(i) approve an amount of leverage that exceeds the amount described in subparagraph (A) for companies under common control; and

"(ii) impose such additional terms and conditions as the Administrator determines to be appropriate to minimize the risk of loss to the Administration in the event of default.

"(C) APPLICABILITY OF OTHER PROVISIONS.—Any leverage that is issued to a company or companies commonly controlled in an amount that exceeds $90,000,000, whether as a result of an increase in the Consumer Price Index or a decision of the Administrator, is subject to subsection (d)."; and

(2) by striking subsection (d) and inserting the following:

"(d) REQUIRED CERTIFICATIONS.—

"(1) IN GENERAL.—The Administrator shall require each licensee, as a condition of approval of an application for leverage, to certify in writing—

"(A) for licensees with leverage less than or equal to $90,000,000, that not less than 20 percent of the licensee's aggregate dollar amount of financings will be provided to smaller enterprises; and

"(B) for licensees with leverage in excess of $90,000,000, that, in addition to satisfying the requirements of subparagraph (A), 100 percent of the licensee's aggregate dollar amount of financings made in whole or in part with leverage in excess of $90,000,000 will be provided to smaller enterprises as defined in section 103(12).

"(2) MULTIPLE LICENSEES.—Multiple licensees under common control (as determined by the Administrator) shall be considered to be a single licensee for purposes of determining both the applicability of and compliance with the investment percentage requirements of this subsection.".

SEC. 243. FEES.

Section 301 of the Small Business Investment Act of 1958 (15 U.S.C. 681) is amended by adding the following:

"(d) FEES.—

"(1) IN GENERAL.—The Administration may prescribe fees to be paid by each applicant for a license to operate as a small business investment company under this Act.

"(2) USE OF AMOUNTS.—Amounts collected pursuant to this subsection shall be—

"(A) deposited in the account for salaries and expenses of the Administration; and

"(B) available without further appropriation solely to cover contracting and other administrative costs related to licensing.".

SEC. 244. EXAMINATION FEES.

Section 310(b) of the Small Business Investment Act of 1958 (15 U.S.C. 687b(b)) is amended by inserting after the first sentence the following: "Fees collected under this subsection shall be deposited in the account for salaries and expenses of the Administration, and are authorized to be appropriated solely to cover the costs of examinations and other program oversight activities.".

Subtitle D—Microloan Program

SEC. 251. MICROLOAN PROGRAM EXTENSION.

(a) LOAN LIMITS.—Section 7(m)(3)(C) of the Small Business Act (15 U.S.C. 636(m)(3)(C)) is amended by striking "$2,500,000" and inserting "$3,500,000".

(b) LOAN LOSS RESERVE FUND.—Section 7(m)(3)(D) of the Small Business Act (15 U.S.C. 636(m)(3)(D)) is amended by striking clauses (i) and (ii), and inserting the following:

"(i) during the initial 5 years of the intermediary's participation in the program under this subsection, at a level equal to not more than 15 percent of the outstanding balance of the notes receivable owed to the intermediary; and

"(ii) in each year of participation thereafter, at a level equal to not more than the greater of—

"(I) 2 times an amount reflecting the total losses of the intermediary as a result of participation in the program under this subsection, as determined by the Administrator on a case-by-case basis; or

"(II) 10 percent of the outstanding balance of the notes receivable owed to the intermediary.".

(c) AUTHORIZATION OF APPROPRIATIONS.—Section 7(m) of the Small Business Act (15 U.S.C. 636(m)) is amended—

(1) in the subsection heading, by striking "DEMONSTRATION";

(2) by striking "Demonstration" each place that term appears;

(3) by striking "demonstration" each place that term appears; and

(4) in paragraph (12), by striking "during fiscal years 1995 through 1997" and inserting "during fiscal years 1998 through 2000".

SEC. 252. SUPPLEMENTAL MICROLOAN GRANTS.

Section 7(m)(4) of the Small Business Act (15 USC 636 (m)(4)) is amended by adding the following:

"(F)(i) The Administration may accept and disburse funds received from another Federal department or agency to provide additional assistance to individuals who are receiving assistance under the State program funded under part A of title IV of the Social Security Act (42 USC 601 et seq.), or under any comparable State-funded means-tested program of assistance for low-income individuals.

"(ii) Grant proceeds are in addition to other grants provided by this subsection and shall not require the contribution of matching amounts to be eligible. The grants may be used to pay or reimburse a portion of child care and transportation costs of individuals described in clause (i) and for marketing, management and technical assistance.

"(iii) Prior to accepting and distributing any such grants, the Administration shall enter a Memorandum of Understanding with the department or agency specifying the terms and conditions of the grants and providing appropriate monitoring of expenditures by the intermediary and ultimate grant recipient to insure compliance with the purpose of the grant.

"(iv) On January 31, 1999, and annually thereafter, the Administration shall submit to the Committees on Small Business of the House of Representatives and the Senate a report on any monies distributed pursuant to the provisions of this paragraph.

"(v) No funds are authorized to be provided to carry out the grant program authorized by this paragraph (F) except by transfer from another Federal department or agency to the Administration.".

TITLE III—WOMEN'S BUSINESS ENTERPRISES

SEC. 301. REPORTS.

Section 404 of the Women's Business Ownership Act of 1988 (15 U.S.C. 631 note) is amended—

(1) by inserting ", through the Small Business Administration," after "transmit";

(2) by striking paragraph (1) and redesignating paragraphs (2) through (4) as paragraphs (1) through (3), respectively; and

(3) in paragraph (1), as redesignated, by inserting before the semicolon the following: ", including a status report on the progress of the Interagency Committee in meeting its responsibilities and duties under section 402(a)".

SEC. 302. COUNCIL DUTIES.

Section 406 of the Women's Business Ownership Act of 1988 (15 U.S.C. 631 note) is amended—

(1) in subsection (c), by inserting after "Administrator" the following: "(through the Assistant Administrator for the Office of Women's Business Ownership)"; and

(2) in subsection (d)—

(A) in paragraph (4), by striking "and" at the end;

(B) in paragraph (5), by striking the period at the end and inserting "; and"; and

(C) by adding at the end the following:

"(6) submit to the President and to the Committee on Small Business of the Senate and the Committee on Small Business of the House of Representatives, an annual report containing—

"(A) a detailed description of the activities of the council, including a status report on the Council's progress toward meeting its duties outlined in subsections (a) and (d) of section 406;

"(B) the findings, conclusions, and recommendations of the Council; and

"(C) the Council's recommendations for such legislation and administrative actions as the Council considers appropriate to promote the development of small business concerns owned and controlled by women.

"(e) SUBMISSION OF REPORTS.—The annual report required by subsection (d) shall be submitted not later than 90 days after the end of each fiscal year.".

SEC. 303. COUNCIL MEMBERSHIP.

Section 407 of the Women's Business Ownership Act of 1988 (15 U.S.C. 631 note) is amended—

(1) in subsection (a), by striking "and Amendments Act of 1994" and inserting "Act of 1997";

(2) in subsection (b)—

(A) by striking "and Amendments Act of 1994" and inserting "Act of 1997";

(B) by inserting after "the Administrator shall" the following: ", after receiving the recommendations of the Chair and the Ranking Member of the Minority of the Committees on Small Business of the House of Representatives and the Senate,";

(C) by striking "9" and inserting "14";

(D) in paragraph (1), by striking "2" and inserting "4";

(E) in paragraph (2)—

(i) by striking "2" and inserting "4"; and

(ii) by striking "and" at the end;

(F) in paragraph (3)—

(i) by striking "5" and inserting "6"; and

(ii) by striking "national".

SEC. 304. AUTHORIZATION OF APPROPRIATIONS.

Section 409 of the Women's Business Ownership Act of 1988 (15 U.S.C. 631 note) is amended—

(1) by striking "1995 through 1997" and inserting "1998 through 2000"; and

(2) by striking "$350,000" and inserting "$600,000, of which $200,000 shall be for grants for research of women's procurement or finance issues.".

SEC. 305. WOMEN'S BUSINESS CENTERS.

(a) IN GENERAL.—Section 29 of the Small Business Act (15 U.S.C. 656) is amended to read as follows:

"SEC. 29. WOMEN'S BUSINESS CENTERS.

"(a) DEFINITION.—For the purposes of this section the term 'small business concern owned and controlled by women', either startup or existing, includes any small business concern—

"(1) that is not less than 51 percent owned by one or more women; and

"(2) the management and daily business operations of which are controlled by one or more women.

"(b) AUTHORITY.—The Administration may provide financial assistance to private organizations to conduct 5-year projects for the benefit of small business concerns owned and controlled by women. The projects shall provide—

"(1) financial assistance, including training and counseling in how to apply for and secure business credit and investment capital, preparing and presenting financial statements, and managing cash flow and other financial operations of a business concern;

"(2) management assistance, including training and counseling in how to plan, organize, staff, direct, and control each major activity and function of a small business concern; and

"(3) marketing assistance, including training and counseling in identifying and segmenting domestic and international market opportunities, preparing and executing marketing plans, developing pricing strategies, locating contract opportunities, negotiating contracts, and utilizing varying public relations and advertising techniques.

"(c) CONDITIONS OF PARTICIPATION.—

"(1) NON-FEDERAL CONTRIBUTIONS.—As a condition of receiving financial assistance authorized by this section, the recipient organization shall agree to obtain, after its application has been approved and notice of award has been issued, cash contributions from non-Federal sources as follows:

"(A) In the first and second years, 1 non-Federal dollar for each 2 Federal dollars.

"(B) In the third year, 1 non-Federal dollar for each Federal dollar.

"(C) In the fourth and fifth years, 2 non-Federal dollars for each Federal dollar.

"(2) FORM OF NON-FEDERAL CONTRIBUTIONS.—Not more than one-half of the non-Federal sector matching assistance may be in the form of in-kind contributions which are budget line items only, including but not limited to office equipment and office space.

"(3) FORM OF FEDERAL CONTRIBUTIONS.—The financial assistance authorized pursuant to this section may be made by grant, contract, or cooperative agreement and may contain such provision, as necessary, to provide for payments in lump sum or installments, and in advance or by way of reimbursement. The Administration may disburse up to 25 percent of each year's Federal share awarded to a recipient organization after notice of the award has been issued and before the non-Federal sector matching funds are obtained.

"(4) FAILURE TO OBTAIN PRIVATE FUNDING.—If any recipient of assistance fails to obtain the required non-Federal contribution during any project, it shall not be eligible thereafter for advance disbursements pursuant to paragraph (3) during the remainder of that project, or for any other project for which it is or may be funded by the Administration, and prior to approving assistance to such organization for any other projects, the Administration shall specifically determine whether the Administration believes that the recipient will be able to obtain the requisite non-Federal funding and enter a written finding setting forth the reasons for making such determination.

"(d) CONTRACT AUTHORITY.—A women's business center may enter into a contract with a Federal department or agency to provide specific assistance to women and other underserved small business concerns. Performance of such contract should not hinder the women's business centers in carrying out the terms of the grant received by the women's business centers from the Administration.

"(e) SUBMISSION OF 5-YEAR PLAN.—Each applicant organization initially shall submit a 5-year plan to the Administration on proposed fundraising and training activities, and a recipient organization may receive financial assistance under this program for a maximum of 5 years per women's business center.

"(f) CRITERIA.—The Administration shall evaluate and rank applicants in accordance with predetermined selection criteria that shall be stated in terms of relative importance. Such criteria and their relative importance shall be made publicly available and stated in each solicitation for applications made by the Administration. The criteria shall include—

"(1) the experience of the applicant in conducting programs or ongoing efforts designed to impart or upgrade the business skills of women business owners or potential owners;

"(2) the present ability of the applicant to commence a project within a minimum amount of time;

"(3) the ability of the applicant to provide training and services to a representative number of women who are both socially and economically disadvantaged; and

"(4) the location for the women's business center site proposed by the applicant.

"(g) OFFICE OF WOMEN'S BUSINESS OWNERSHIP.—There is established within the Administration an Office of Women's Business Ownership, which shall be responsible for the administration of the Administration's programs for the development of women's business enterprises (as that term is defined in section 408 of the Women's Business Ownership Act of 1988). The Office of Women's Business Ownership shall be administered by an Assistant Administrator, who shall be appointed by the Administrator.

"(h) REPORT.—The Administrator shall prepare and submit an annual report to the Committees on Small Business of the House of Representatives and the Senate on the effectiveness of all projects conducted under the authority of this section. Such report shall provide information concerning—

"(1) the number of individuals receiving assistance;

"(2) the number of startup business concerns formed;

"(3) the gross receipts of assisted concerns;

"(4) increases or decreases in profits of assisted concerns; and

"(5) the employment increases or decreases of assisted concerns.

"(i) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated $8,000,000 per year to carry out the projects authorized by this section of which for fiscal year 1998 not more than 10 percent may be used for administrative expenses related to the program. Amounts appropriated pursuant to this subsection for fiscal year 1999 and later are to be used exclusively for grant awards and not for costs incurred by the Administration for the management and administration of the program. Notwithstanding any other provision of law, the Administration may use such expedited acquisition methods as it deems appropriate, through the Assistant Administrator of the Office of Women's Business Ownership, to achieve the purposes of this section, except that the Administration shall ensure that all small business sources are provided a reasonable opportunity to submit proposals.".

(b) APPLICABILITY.—Any organization conducting a 3-year project under section 29 of the Small Business Act (15 U.S.C. 656) on the day before the date of enactment of this Act, may extend the term of that project to a total term of 5 years and receive financial assistance in accordance with section 29(c) of the Small Business Act (as amended by this title) subject to procedures established by the Administrator in coordination with the Office of Women's Business Ownership established under section 29 of the Small Business Act (15 U.S.C. 656) (as amended by this title).

SEC. 306. OFFICE OF WOMEN'S BUSINESS OWNERSHIP.

Section 29 of the Small Business Act (15 U.S.C. 656) is amended by adding at the end the following:

"(j) ASSISTANT ADMINISTRATOR FOR THE OFFICE OF WOMEN'S BUSINESS OWNERSHIP.—

"(1) ESTABLISHMENT.—There is established the position of Assistant Administrator for the Office of Women's Business Ownership (hereafter in this section referred to as the

'Assistant Administrator') who shall serve without regard to the provisions of title 5, United States Code, governing appointments in the competitive service.

"(2) RESPONSIBILITIES AND DUTIES.—

"(A) RESPONSIBILITIES.—The responsibilities of the Assistant Administrator shall be to administer the programs and services of the Office of Women's Business Ownership established to assist women entrepreneurs in the areas of—

"(i) starting and operating a small business;

"(ii) development of management and technical skills;

"(iii) seeking Federal procurement opportunities; and

"(iv) increasing the opportunity for access to capital.

"(B) DUTIES.—Duties of the position of the Assistant Administrator shall include—

"(i) administering and managing the Women's Business Centers program;

"(ii) recommending the annual administrative and program budgets for the Office of Women's Business Ownership (including the budget for the Women's Business Centers);

"(iii) establishing appropriate funding levels therefore;

"(iv) reviewing the annual budgets submitted by each applicant for the Women's Business Center program;

"(v) selecting applicants to participate in this program;

"(vi) implementing this section;

"(vii) maintaining a clearinghouse to provide for the dissemination and exchange of information between Women's Business Centers;

"(viii) serving as the vice chairperson of the Interagency Committee on Women's Business Enterprise;

"(ix) serving as liaison for the National Women's Business Council; and

"(x) advising the Administrator on appointments to the Women's Business Council.

"(3) CONSULTATION REQUIREMENTS.—In carrying out the responsibilities and duties described in this subsection, the Assistant Administrator shall confer with and seek the advice of the Administration officials in areas served by the Women's Business Centers.

"(k) PROGRAM EXAMINATION.—

"(1) IN GENERAL.—Not later than 180 days after the date of enactment of this subsection, the Administration shall develop and implement an annual programmatic and financial examination of each Women's Business Center established pursuant to this section.

"(2) EXTENSION OF CONTRACTS.—In extending or renewing a contract with a Women's Business Center, the Administration shall consider the results of the examination conducted pursuant to paragraph (1).

"(l) CONTRACT AUTHORITY.—The authority of the Administration to enter into contracts shall be in effect for each fiscal year only to the extent and in the amounts as are provided in advance in appropriations Acts. After the Administration has entered a contract, either as a grant or a cooperative agreement, with any applicant under this section, it shall not suspend, terminate, or fail to renew or extend any such contract unless the Administration provides the applicant with written notification setting forth the reasons therefore and affording the applicant an opportunity for a hearing, appeal, or other administrative proceeding under chapter 5 of title 5, United States Code.".

TITLE IV—COMPETITIVENESS PROGRAM

SEC. 401. PROGRAM TERM.

Section 711(c) of the Small Business Competitiveness Demonstration Program Act of 1988 (15 U.S.C. 644 note) is amended by striking ", and terminate on September 30, 1997".

SEC. 402. MONITORING AGENCY PERFORMANCE.

Section 712(d)(1) of the Small Business Competitiveness Demonstration Program Act of 1988 (15 U.S.C. 644 note) is amended to read as follows:

"(1) Participating agencies shall monitor the attainment of their small business participation goals on an annual basis. An annual review by each participating agency shall be completed not later than January 31 of each year, based on the data for the preceding fiscal year, from October 1 through September 30.".

SEC. 403. SMALL BUSINESS PARTICIPATION IN DREDGING.

Section 722(a) of the Small Business Competitiveness Demonstration Program Act of 1988 (15 U.S.C. 644 note) is amended by striking "and terminating on September 30, 1997".

SEC. 404. TECHNICAL AMENDMENT.

Section 717 of the Small Business Competitiveness Demonstration Program Act of 1988 (15 U.S.C. 644 note) is amended—

(1) by striking "standard industrial classification code" each time it appears and inserting in lieu thereof "North American Industrial Classification Code"; and

(2) by striking "standard industrial classification codes" each time it appears and inserting in lieu thereof "North American Industrial Classification Codes".

TITLE V—MISCELLANEOUS PROVISIONS

SEC. 501. SMALL BUSINESS DEVELOPMENT CENTERS.

(a) IN GENERAL.—Section 21(a) of the Small Business Act (15 U.S.C. 648(a)) is amended—

(1) in paragraph (1), by inserting "any women's business center operating pursuant to section 29," after "credit or finance corporation,";

(2) in paragraph (3)—

(A) by striking ", but with" and all that follows through "parties." and inserting the following: "for the delivery of programs and services to the Small Business community. Such programs and services shall be jointly developed, negotiated, and agreed upon, with full participation of both parties, pursuant to an executed cooperative agreement between the Small Business Development Center applicant and the Administration."; and

(B) by adding at the end the following:

"(C) On an annual basis, the Small Business Development Center shall review and coordinate public and private partnerships and cosponsorships with the Administration for the purpose of more efficiently leveraging available resources on a National and a State basis.";

(3) in paragraph (4)(C)—

(A) by striking clause (i) and inserting the following:

"(i) IN GENERAL.—

"(I) MAXIMUM AMOUNT.—Except as provided in clause (ii), and subject to subclause (II) of this clause, the amount of a grant received by a State under this section shall not exceed greater of—

"(aa) $500,000; and

"(bb) the State's pro rata share of a national program, based upon the population of the State as compared to the total population of the United States.

"(II) EXCEPTION.—Subject to the availability of amounts made available in advance in an appropriations Act to carry out this section for any fiscal year in excess of amounts so provided for fiscal year 1997, the amount of a grant received by a State under this section shall not exceed the greater of $500,000, and the sum of—

"(aa) the State's pro rata share of a national program, based upon the population of the State as compared to the total population of the United States; and

"(bb) and $300,000 in fiscal year 1998, $400,000 in fiscal year 1999, and $500,000 in each fiscal year thereafter."; and

(B) in clause (iii), by striking "(iii)" and all that follows through "1997." and inserting the following:

"(iii) NATIONAL PROGRAM.—The national program under this section shall be—

"(I) $85,000,000 for fiscal year 1998;

"(II) $90,000,000 for fiscal year 1999; and

"(III) $95,000,000 for fiscal year 2000 and each fiscal year thereafter."; and

(4) in paragraph (6)—

(A) in subparagraph (A), by striking "and" at the end;

(B) in subparagraph (B), by striking the comma at the end and inserting "; and"; and

(C) inserting after subparagraph (B) the following:

"(C) with outreach, development, and enhancement of minority-owned small business startups or expansions, veteran-owned small business startups or expansions, and women-owned small business startups or expansions, in communities impacted by base closings or military or corporate downsizing, or in rural or underserved communities;".

(b) SBDC SERVICES.—Section 21(c) of the Small Business Act (15 U.S.C. 648(c)) is amended—

(1) in paragraph (3)—

(A) in subparagraph (A), by striking "businesses;" and inserting "businesses, including—

"(i) working with individuals to increase awareness of basic credit practices and credit requirements;

"(ii) working with the Administration to develop and provide informational tools for use in working with individuals on pre-business startup planning, existing business expansion, business plans, financial packages, credit applications, contract proposals, and export planning; and

"(iii) working with individuals referred by the local offices of the Administration and Administration participating lenders;";

(B) in each of subparagraphs (B), (C), (D), (E), (F), (G), (M), (N), (O), (Q), and (R) by moving each margin two ems to the left;

(C) in subparagraph (C), by inserting "and the Administration" after "Center";

(D) in subparagraph (Q), by striking "and" at the end;

(E) in subparagraph (R), by striking the period at the end and inserting "; and"; and

(2) in paragraph (5)—

(A) by moving the margin 2 ems to the left;

(B) by striking "paragraph (a)(1)" and inserting "subsection (a)(1)";

(C) by striking "which ever" and inserting "whichever"; and

(D) by striking "last,," and inserting "last,";

(3) by redesignating paragraphs (4) through (7) as paragraphs (5) through (8), respectively; and

(4) in paragraph (3), in the undesignated material following subparagraph (S) (as added by this subsection), by striking "A small" and inserting the following:

"(4) A small".

(c) COMPETITIVE AWARDS.—Section 21(l) of the Small Business Act (15 U.S.C. 648(l)) is amended by adding at the end the following: "If any contract under this section is not renewed or extended, award of the succeeding

contract shall be made on a competitive basis.".

(d) PROHIBITION ON CERTAIN FEES.—Section 21 of the Small Business Act (15 U.S.C. 648) is amended by adding at the end the following:

"(m) PROHIBITION ON CERTAIN FEES.—A small business development center shall not impose or otherwise collect a fee or other compensation in connection with the provision of counseling services under this section.".

SEC. 502. SMALL BUSINESS EXPORT PROMOTION.

(a) IN GENERAL.—Section 21(c)(3) of the Small Business Act (15 U.S.C. 648(c)(3)) is amended by inserting after subparagraph (R) the following:

"(S) providing small business owners with access to a wide variety of export-related information by establishing on-line computer linkages between small business development centers and an international trade data information network with ties to the Export Assistance Center program.".

(b) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out section 21(c)(3)(S) of the Small Business Act (15 U.S.C. 648(c)(3)(S)), as added by this section, $1,500,000 for each of fiscal years 1998 and 1999.

SEC. 503. PILOT PREFERRED SURETY BOND GUARANTEE PROGRAM EXTENSION.

Section 207 of the Small Business Administration Reauthorization and Amendment Act of 1988 (15 U.S.C. 694b note) is amended by striking "September 30, 1997" and inserting "September 30, 2000".

SEC. 504. VERY SMALL BUSINESS CONCERNS.

Section 304(i) of Public Law 103-403 (15 U.S.C. 644 note) is amended by striking "1998" and inserting "2000".

SEC. 505. EXTENSION OF COSPONSORSHIP AUTHORITY.

Section 401(a)(2) of the Small Business Administration Reauthorization and Amendments Act of 1994 (15 U.S.C. 637 note) is amended by striking "September 30, 1997" and inserting "September 30, 2000".

SEC. 506. TRADE ASSISTANCE PROGRAM FOR SMALL BUSINESS CONCERNS HARMED BY NAFTA.

The Small Business Administration shall coordinate assistance programs currently administered by the Administration to counsel small business concerns harmed by the North American Free Trade Agreement to aid such concerns in reorienting their business purpose.

TITLE VI—SERVICE DISABLED VETERANS

SEC. 601. PURPOSES.

The purposes of this title are—

(1) to foster enhanced entrepreneurship among eligible veterans by providing increased opportunities;

(2) to vigorously promote the legitimate interests of small business concerns owned and controlled by eligible veterans; and

(3) to ensure that those concerns receive fair consideration in purchases made by the Federal Government.

SEC. 602. DEFINITIONS.

For purposes of this title, the following definitions apply:

(1) ADMINISTRATION.—The term "Administration" means the Small Business Administration.

(2) ADMINISTRATOR.—The term "Administrator" means the Administrator of the Small Business Administration.

(3) ELIGIBLE VETERAN.—The term "eligible veteran" means a disabled veteran, as defined in section 4211(3) of title 38, United States Code.

(4) SMALL BUSINESS CONCERN OWNED AND CONTROLLED BY ELIGIBLE VETERANS.—The term "small business concern owned and controlled by eligible veterans" means a small business concern (as defined in section 3 of the Small Business Act)—

(A) which is at least 51 percent owned by 1 or more eligible veteran, or in the case of a publicly owned business, at least 51 percent of the stock of which is owned by 1 or more eligible veteran; and

(B) whose management and daily business operations are controlled by eligible veterans.

SEC. 603. REPORT BY SMALL BUSINESS ADMINISTRATION.

(a) STUDY AND REPORT.—Not later than 6 months after the date of the enactment of this Act, the Administrator shall conduct a comprehensive study and issue a final report to the Committees on Small Business of the House of Representatives and the Senate containing findings and recommendations of the Administrator on—

(1) the needs of small business concerns owned and controlled by eligible veterans;

(2) the availability and utilization of Administration programs by small business concerns owned and controlled by eligible veterans;

(3) the percentage, and dollar value, of Federal contracts awarded to small business concerns owned and controlled by eligible veterans in the preceding 5 fiscal years; and

(4) methods to improve Administration and other programs to serve the needs of small business concerns owned and controlled by eligible veterans.

The report also shall include recommendations to Congress concerning the need for legislation and recommendations to the Office of Management and Budget, relevant offices within the Administration, and the Department of Veterans Affairs.

(b) CONDUCT OF STUDY.—In carrying out subsection (a), the Administrator—

(1) may conduct surveys of small business concerns owned and controlled by eligible veterans and service disabled veterans, including those who have sought financial assistance or other services from the Administration;

(2) shall consult with the appropriate committees of Congress, relevant groups and organizations in the non-profit sector, and Federal or State government agencies; and

(3) shall have access to any information within other Federal agencies which pertains to such veterans and their small businesses, unless such access is specifically prohibited by law.

SEC. 604. INFORMATION COLLECTION.

After the date of issuance of the report required by section 603, the Secretary of Veterans Affairs shall, in consultation with the Assistant Secretary for Veterans' Employment and Training and the Administrator, engage in efforts each fiscal year to identify small business concerns owned and controlled by eligible veterans in the United States. The Secretary shall inform each small business concern identified under this section that information on Federal procurement is available from the Administrator.

SEC. 605. STATE OF SMALL BUSINESS REPORT.

Section 303(b) of the Small Business Economic Policy Act of 1980 (15 U.S.C. 631b(b)) is amended by striking "and female-owned businesses" and inserting ", female-owned, and veteran-owned businesses".

SEC. 606. LOANS TO VETERANS.

Section 7(a) of the Small Business Act (15 U.S.C. 636(a)) is amended by inserting after paragraph (7) the following:

"(8) The Administration is empowered to make loans under this subsection to small business concerns owned and controlled by disabled veterans. For purposes of this paragraph, the term 'disabled veteran' shall have the meaning such term has in section 4211(3) of title 38, United States Code.".

SEC. 607. ENTREPRENEURIAL TRAINING, COUNSELING, AND MANAGEMENT ASSISTANCE.

The Administrator shall take such actions as may be necessary to ensure that small business concerns owned and controlled by eligible veterans have access to programs established under the Small Business Act which provide entrepreneurial training, business development assistance, counseling, and management assistance to small business concerns. Such programs include the Small Business Development Center, Small Business Institute, Service Corps of Retired Executives (SCORE), and Active Corps of Executives (ACE) programs.

SEC. 608. GRANTS FOR ELIGIBLE VETERANS OUTREACH PROGRAMS.

Section 8(b) of the Small Business Act (15 U.S.C. 637(b)) is amended—

(1) by striking "and" at the end of paragraph (15);

(2) by striking the period at the end of the first paragraph (16) and inserting "; and";

(3) by striking the second paragraph (16); and

(4) by adding at the end the following new paragraph:

"(17) to make grants to, and enter into contracts and cooperative agreements with, educational institutions, private businesses, veterans' nonprofit community-based organizations, and Federal, State, and local departments and agencies for the establishment and implementation of outreach programs for disabled veterans, as defined in section 4211(3) of title 38, United States Code.".

SEC. 609. OUTREACH FOR ELIGIBLE VETERANS.

The Administrator, the Secretary of Veterans Affairs, and the Assistant Secretary of Labor for Veterans' Employment and Training shall develop and implement a program of comprehensive outreach to assist eligible veterans. Such outreach shall include business training and management assistance, employment and relocation counseling, and dissemination of information on veterans benefits and veterans entitlements.

TITLE VII—SMALL BUSINESS TECHNOLOGY TRANSFER PROGRAM.

SEC. 701. AMENDMENTS.

Section 9 of the Small Business Act (15 U.S.C. 638) is amended—

(1) in subsection (b)(7), by inserting ", and the Committee on Science" after "of the Senate";

(2) in subsection (e)(4)(A) by striking "(ii)";

(3) in subsection (e)(6)(B), by inserting "agency" after "to meet particular";

(4) in subsection (n)(1)(C), by striking "and 1997" and inserting in lieu thereof "through 2000";

(5) in subsection (o)—

(A) by redesignating paragraphs (8) through (11) as paragraphs (10) through (13), respectively; and

(B) by inserting after paragraph (7) the following new paragraphs:

"(8) include, as part of its annual performance plan as required by section 1115(a) and (b) of title 31, United States Code, a section on its STTR program, and shall submit such section to the Committee on Small Business of the Senate, and the Committee on Science and the Committee on Small Business of the House of Representatives;

"(9) collect such data from awardees as is necessary to assess STTR program outputs and outcomes;"; and

(6) by adding at the end the following new subsections:

"(s) OUTREACH PROGRAM.—Within 90 days after the date of the enactment of this subsection, the Administrator shall develop and begin implementation of an outreach program to encourage increased participation in the STTR program of small business concerns, universities, and other research institutions located in States in which the total number of STTR awards for the previous 2 fiscal years is less than 20.

"(t) INCLUSION IN STRATEGIC PLANS.—Program information relating to the SBIR and STTR programs shall be included by Federal agencies in any updates and revisions required under section 306(b) of title 5, United States Code.".

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Missouri [Mr. TALENT] and the gentleman from New York [Mr. LAFALCE] each will control 20 minutes.

The Chair recognizes the gentleman from Missouri [Mr. TALENT].

Mr. TALENT. Mr. Speaker, I yield myself such time as I may consume.

The primary purpose of H.R. 2261 is to reauthorize the Small Business Administration and the programs which that agency manages by authority granted under the Small Business Act and the Small Business Investment Act through fiscal year 2000.

The committee regularly authorizes these programs for a 3-year period, with the last reauthorization occurring in 1994 during the 103d Congress. Programs include the financial programs of the SBA: the 7(a) general business loan guarantee, Section 504 Certified Development Company program, and other programs.

The programs of the SBA, Mr. Speaker, annually provide assistance to over 100,000 small businesses all across the United States. These financial programs remedy shortfalls in access to credit and capital for small businesses that are in need because of unfortunate imperfections in the national economy.

By assuring financial assistance for amounts as small as $500 to as much as $1,250,000, the SBA and its private sector partners, bank and non-bank lenders, surety bond insurers, et cetera, provide a vital impetus to the small business sector. The SBA also provides hundreds of millions of dollars in vital disaster assistance to small businesses and homeowners every year.

H.R. 2261 reflects the committee's dedication to and support for these programs and the belief that they are not only necessary but also constantly in need of refinement and improvement as the economy shifts and changes. The bill includes not only the basic reauthorization language necessary to continue regular operations but also changes to the underlying program structures.

The bill includes significant improvements in the Preferred Certified Lender Program of the Section 504 Certified Development Company Program. These changes serve to help implement the committee's goals of increased reliance on private sector lending partners. The committee seeks to both enable the CDC's to take additional responsibility for servicing, liquidation and litigation of defaulted loans, and to improve the recoveries for this program.

H.R. 2261 also continues the committee's work on improving the Small Business Investment Company Program. Last year this program underwent significant changes, and this year the committee seeks to build on those improvements by providing SBIC's with increased flexibility and some responsiveness in order to better allow the SBIC's to interact in the marketplace and thereby reduce risks of loss.

The measure before us has two additional components that were added to this legislation since our committee reported it. These additional elements have been added as a result of bipartisan efforts and, in fact, have involved the collective work of multiple committees. Title VI of H.R. 2261, as amended, contains a number of provisions which are designed to assist the Federal Government in better serving service disabled veterans and small businesses owned by service disabled veterans. These measures are the product of bipartisan efforts by myself and the gentleman from New York [Mr. LAFALCE], the committee's ranking member, working together with the chairman of the Committee on Rules and the chairman of the Committee on Veterans' Affairs.

Title VII of this legislation is also the product of a bipartisan and multi-committee effort between the Committee on Small Business and the Committee on Science. Title VII contains H.R. 2429, as reported by the Committee on Science, which is a 3-year reauthorization of the Pilot Small Business Technology Transfer Program. Building upon the established model of the Small Business Innovation Research Program, the STTR program provides the statutory basis for structured collaborations between small technology entrepreneurs and nonprofit research institutions, such as universities or federally funded Research and Development Centers, to foster commercialization of the results of federally sponsored research.

Mr. Speaker, I urge my colleagues to support small business, the engine of our economy, by voting for this needed legislation.

Mr. Speaker I reserve the balance of my time.

Mr. LAFALCE. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in strong support of H.R. 2261. I concur fully in the remarks of the gentleman from Missouri [Mr. TALENT], the distinguished chairman of the Committee on Small Business.

Mr. Speaker, I do not think it is necessary to reiterate the contents of this bill. Suffice it to say it is an important bill. The bill is a product of tremendous cooperation between the gentleman from Missouri [Mr. TALENT] and myself, between his staff and my staff, and amongst the various committees that were involved, too, the Committee on Rules, the Subcommittee on Technology, et cetera.

The gentleman from Missouri [Mr. TALENT] has shown excellence as chairman of the Committee on Small Business. He will do nothing but grow in that position and become even more excellent, but I hope he will yield that position unwillingly at the end of 1998.

Mr. Speaker, I rise in strong support of H.R. 2261. The bill, which was marked up by the Small Business Committee in late July, received broad bipartisan support and was unanimously adopted by the Small Business Committee. It reauthorizes and makes improvements to a number of excellent SBA programs that have always had, and today do have broad bipartisan support in this House.

The small business community has long been a key source of economic activity and a spur to job creation. But access to capital has been a recurrent problem. The programs of the SBA annually provide over $13 billion of financial assistance to over 100,000 small businesses, remedying shortfalls in access to credit and capital for small business.

By providing financial assistance for amounts as small as $500 to as much as $1,250,000, the SBA and its private sector partners—bank and non-bank lenders, surety bond insurers, certified development companies, microlenders, and small business investment companies—play a vital role for small businesses in this economy. The SBA is particularly successful because it relies mostly on private capital to provide financing to small businesses. In addition, the SBA has become more responsive to the needs of small businesses by creating loan programs geared to their special needs, including the LowDoc Program with reduced paperwork for smaller borrowers, the Export Working Capital Program for small business exporters, and the Microloan Program. Also, the SBA also provides millions of dollars in vital disaster assistance to small businesses and homeowners every year.

In addition, the SBA also provides counseling to small business owners. In fiscal year 1997, the agency has provided counseling and training to over 1 million of its small business clients through resource partners such as the Service Corps of Retired Executives [SCORE] and Small Business Development Centers [SBDC's].

These billions of dollars in assistance are provided at a total cost of $850 million for programs and salaries and expenses.

The bill reauthorizes the Small Business Administration's programs for 3 years, fiscal year 1998 through fiscal year 2000, and also makes significant improvements to them. The programs include the section 7(a) general business loan guarantee, the section 504 Certified Development Company [CDC], the Microloan, the Small Business Investment

Company [SBIC], SBDC, and SCORE Programs. I would like to describe some of the bill's more important provisions.

Title I of the bill sets forth the authorization levels for the various SBA programs. For example, in fiscal year 1998, funding is provided to allow for $10 billion in guaranteed loans, with an increase to $11 billion in fiscal year 1999, and $13 billion in fiscal year 2000. Likewise the section 504 [CDC] program is authorized at $3 billion in fiscal year 1998, an increase of 340 million over current year levels, $3.5 billion in fiscal year 1991, and $4.5 billion in the year 2000. The bill authorizes increases in the Micro-loan Program, from increased technical assistance to more funds for guaranteed and direct loans.

Title II improves various financial assistance programs to make them more sound, by increasing funding from the private sector and effectively liquidating those loans which do fail.

In particular, title II makes significant improvements in the section 504 [CDC] program. It expands the program to qualify more Certified Development Companies [CDC's]; establishes loan loss reserves to preferred lender participants; authorizes participating CDC's to foreclose on, liquidate, and litigate on defaulted loans, which should free up SBA resources and substantially improve recovery rates for those loans which do fail; allows sellers of property to provide financing of up to 50 percent, as long as the seller is subordinate to the SBA's interest in the property; and prevents SBA from delaying loan approval due to environmental concerns, if a prospective borrower obtains a letter of nonliability from the EPA or a State environmental agency concerning any hazardous conditions and otherwise cooperates in remediation efforts.

Title II also makes several minor changes and reforms to the SBIC program. The bill would provide SBICs with greater flexibility and better access to financial markets and would improve the operations of SBA's investment division.

Finally, title II permanently authorizes the Microloan Program, changing it from a demonstration program, and extends the guaranteed Microloan Program by 3 years. This program provides loans of amounts below $25,000 and is designed to provide technical assistance, business counseling grants, and financial assistance to very small businesses, in particular startups and home-based businesses. The Microloan Program has made over 5,000 loans totaling over $60 million to small businesses since 1991.

In addition, the bill authorizes the SBA and its microlending partners to provide supplemental technical assistance in the form of transportation and child care assistance, to be paid from funds made available by other agencies. The House report on this bill reflected a concern expressed by two Democratic members, Messrs. BALDACCI and FLAKE, regarding the availability of transportation in economically depressed areas and the obstacles it poses to people looking for work. The committee encourages funding of for-profit and cooperative transportation businesses to provide links between these communities and job opportunities.

Title III of the bill expands on SBA's programs for Women's Business Enterprises, including Women Business Centers, the SBA's Office of Women's Business Ownership, and the Women's Business Council, an effective advocacy organization. I am especially pleased that this bill continues strong support for women's business efforts, including expanding the women's business center program, which provides seed funding for business training centers across the country and is one of the most successful programs which SBA operates. The bill establishes a funding formula for grantees receiving funds under this program, increasing the time to 5 years, but requiring an increasing number of non-Federal dollars for each Federal dollar, 2 non-Federal dollars for each Federal dollar in funding during years four and five, for example.

Title V contains miscellaneous provisions. For example, section 502 encourages SBA to develop and expand an international trade data network. This title also extends the Preferred Surety Bond Program through fiscal year 2000. And, section 506 directs SBA to coordinate its programs and offer specific assistance to small businesses that may have been adversely affected by NAFTA.

Chairman TALENT has included in the bill a manager's amendment, which includes, first, a technical amendment; second, provisions to require SBA to conduct a study on the small business needs of disabled veterans and to expand SBA outreach to such veterans; and third, a reauthorization for the Small Business Technology Transfer [STTR] Program. After negotiations with the Science Committee, Chairman TALENT and I agreed to a simple bill which reauthorizes the STTR program for 3 years. The bill, reported out by the Science Committee, does not in any way change the STTR program.

In summary, the bill will allow continuation of these current SBA programs, some of the most effective business programs operated by the U.S. Government, and makes changes to improve their effectiveness for small businesses, while protecting the government's interest. I strongly urge an affirmative vote for H.R. 2261 today, so that we could go to conference before the financial assistance and other SBA programs expire on September 30. Finally, I want to thank Chairman TALENT and his staff for their cooperation in the process of coming up with this excellent bill.

Mr. Speaker, I reserve the balance of my time.

Mr. TALENT. Mr. Speaker, I thank the gentleman for his kind comments, and I yield 2 minutes to the gentleman from Florida [Mr. MILLER].

Mr. MILLER of Florida. Mr. Speaker, as a former small businessman before entering Congress, I certainly recognize the importance of small business. My community in Florida, in Sarasota, is totally dependent on small business. And certainly the Small Business Administration does a lot of very fine things and should continue.

□ 1315

I have some concerns, this being brought up under suspension, for a rather significant increase in money, and maybe I need to have explained to me a little bit more, because the total amount of money authorized is a significant increase over what is currently being appropriated, and I recognize this still has to go through the appropriation process, and as a member of the Committee on Appropriations, though not the subcommittee for small business, I will be able to follow this.

But under the 1997 bill, appropriation bill, we have an authorization or outlays of $820 million, and it is going to increase next year to $1.3 billion. So it is a rather significant increase that concerns me, that we are doing this under suspension, where we have no opportunity to offer amendments and question it. While there are many good programs, there have been concerns about set-aside issues also under the Small Business Administration.

So, I, or I think the gentleman from California [Mr. CONDIT], may be asking for a recorded vote because of concerns of bringing this under this particular suspension.

Mr. TALENT. Mr. Speaker, I yield myself such time as I may consume, and I appreciate the gentleman's comments.

Let me just say that if we take the reauthorization levels over the next 3 years, the authorization is not going up, it is going down. The bill does not mention or refer to any of the set-aside programs in the Small Business Administration, and that was done deliberately as a result of agreement between the gentleman and myself. In fact, this is one of the few major bills dealing with any of the agencies which does not mention any of the set-aside programs.

For example, we have voted on appropriations bills that have come out of the Committee on Appropriations, in which the gentleman serves, most of which have some kind of set-aside programs. We are debating right now the Commerce, State, and Justice appropriations bill which funds the Small Business Administration, including the 8(a) program which is a set-aside program, and that might be a good opportunity, if the gentleman wants to raise the point, to raise that whole issue. We have not done it here.

This is a bill which reauthorizes a number of important programs, including the disaster relief program. Members need to understand that if we do not pass this bill, that program will run out at the end of the fiscal year unless it is extended by a CR.

We are moving toward privatization of a number of these lending programs and greater efficiency in these programs. The gentleman knows that the appropriations for the SBA is going down, and I would expect that it would continue to go down under this authorization, and that is certainly my intention.

As for bringing up on suspension, we are getting near the end of the year. The bill came out unanimously from

committee. It does an awful lot of good things, and up until the last few days nobody had raised any issues. I would maintain that the issue regarding set-asides is extraneous to this bill, although, of course, Members are entitled to conclude what they want.

So I hope the Members will support this, and I understand the issue regarding set-asides is a very important one. I feel strongly about it myself, but it is truly extraneous to this bill, and I would suggest that Members look for other vehicles if they do want to raise the issue.

Mr. LAFALCE. Mr. Speaker, I yield 5 minutes to the gentleman from Texas [Mr. BENTSEN].

Mr. BENTSEN. Mr. Speaker, I thank the gentleman for yielding this time to me, and there is an issue within this bill that I wanted to discuss, if I could, with both the chairman and the ranking member as it relates to the unsecuritized portion of 7(a) loans.

I am a former, I served on this committee in the last Congress, I do not serve on the committee in this Congress, and in the last Congress when we were working on this bill, the issue of certain SBA rules as it related to the unsecuritized portion of 7(a) loans came up.

I have a great deal of concern with the SBA and the direction that they are headed on this. I appreciate the fact that the bill, as I understand it, either asked or requires the SBA to address this issue within 90 days of enactment, and, if I could, during my time I would like to discuss this with both the chairman and the ranking member.

Mr. TALENT. Mr. Speaker, will the gentleman yield?

Mr. BENTSEN. I yield to the gentleman from Missouri.

Mr. TALENT. I would be happy to discuss this with the gentleman. This is the securitization the gentleman has been talking about?

Mr. BENTSEN. The gentleman is correct.

Mr. TALENT. Mr. Speaker, I appreciate the gentleman's good work on this.

The agency has had this issue, as the gentleman knows, since the bill we passed last year. I am hopeful that the agency can come up with a set of regulations that do advance the ability of both bank and nonbank lenders to securitize these on the secondary market as much as is consistent, of course, with sound lending practices, and I recognize the gentleman's background on that, and I am very pleased that he is working to midwife some acceptable compromise in that area.

Mr. BENTSEN. Also, reclaiming my time, I have been in some meetings with the SBA about this. I agree that we need to ensure that there are prudent lending standards that ensure the safety and soundness as it relates to the tax back guarantee of the 7(a) loans and how that relates to the unsecuritized portion.

I do have some concerns with what SBA has been proposing that may, in fact, go overboard and, in fact, may have additional motives beyond safety and soundness, which is what I think primarily the concern of the committee and House ought to be.

Mr. LAFALCE. Mr. Speaker, will the gentleman yield?

Mr. BENTSEN. I yield to my colleague from New York, who is also aware of this.

Mr. LAFALCE. Mr. Speaker, this is an issue that both the chairman and I have discussed at considerable length, we have discussed with representatives from the Small Business Administration, and I am concerned that we do not have some more definitive position coming from the SBA.

We had hoped in the last Congress that they would have promulgated definitive regulations by this time. But in consultation with them, I became concerned that they might be confusing their purposes, that they instead of focusing exclusively on securitization issues, on creditworthy issues and safety and soundness issues, et cetera, they might be focusing additionally on the issue of concentration of lending. And I think it is appropriate for them to focus on concentration of lending and do something about it, if it is necessary, but not within the context of securitization rules. They are totally separate and distinct. They should deal with securitization issues and promulgating securitization rules. They should deal with concentration issues by promulgating concentration rules if need be.

Further, there is clearly a distinction between insured depository institutions and nonbank lenders, and while we want rough parity, that does not mean that we must have identity of treatment; at least that is my judgment, and of course it is up to the SBA to make their own independent judgment exclusively based upon their perception of the public interest.

Mr. BENTSEN. Mr. Speaker, I thank the gentleman for his comment, and, reclaiming my time, I will just close by saying that we need and the SBA needs to understand that we are dealing with sophisticated markets here which are fairly transparent and that I would hope that we would continue to have as much efficiency as the chairman spoke about while maintaining and preserving safety and soundness.

And I also would like to say for Members of the House that I congratulate the chairman on this bill, I think, being his first major bill, his first time as chairman, and of course the ranking member, and I am in strong support of the legislation, and I appreciate the fact that it does address this issue.

Mr. LAFALCE. Mr. Speaker, I have no further requests for time, and therefore I yield back the balance of my time.

Mr. TALENT. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I just want to say because I want to make sure I did not misspeak before, when we authorize these lending programs in this committee, the authorization level goes to the total amount of loans that are authorized; in other words, the total loan volume.

We do expect that as a result of the kinds of changes that are being instituted in the last few years and over at the agency the amount of loan volume that we will be able to support with current or less appropriations levels is going to go up. In other words, I anticipate that we will continue to reduce appropriations for the lending programs for this agency.

At the same time, I do expect that the loan volume is going to go up, so I think we are going to see appropriations going down; it is going down this year. This agency is more than going to do its part in terms of meeting a balanced budget, but I would expect the overall loan volumes, I hope that we can support with those appropriations, to go up.

Mr. SENSENBRENNER. Mr. Speaker, last week in a bipartisan effort, the Committee on Science favorably reported H.R. 2429, as amended, a bill to reauthorize the Small Business Technology Transfer Program [STTR] through fiscal year 2000. This week, the Committee on Science and the Committee on Small Business, again working in a bipartisan fashion, have agreed to incorporate H.R. 2429 into H.R. 2261, the Small Business Programs Reauthorization and Amendments Acts of 1997.

I would like to thank the ranking member of the Science Committee, Mr. BROWN, the Subcommittee on Technology chairwoman, Mrs. MORELLA, and the ranking member of that subcommittee, Mr. GORDON, for their efforts to reauthorize STTR. I would also like to thank the chairman of the Committee on Small Business, Mr. TALENT, for the great cooperation he and all his staff have shown in working with the Science Committee to reauthorize STTR.

STTR was started as a pilot program in 1994. STTR was enacted to provide high technology, small businesses across the country an opportunity to receive Federal R&D funding for ideas that were originated in, and developed in cooperation with, nonprofit research institutions such as universities. It is financed by a 0.15 percent set-aside from the extramural R&D budgets of five agencies: the Department of Defense, the Department of Energy, the National Institutes of Health, the National Aeronautics and Space Administration, and the National Science Foundation.

These ideas are developed under STTR in three phases. Phase I is a 1-year grant of up to $100,000. It is primarily used to research the viability of a technology. After phase I, a company may apply for phase II funding. Phase II is a 2-year award, of up to $500,000. Phase II award winners will further develop the technology—with the goal of achieving

phase III. Phase III is defined as commercialization of the technology, including use of the technology by the Government. STTR funds are not used for phase III.

H.R. 2429 will reauthorize STTR at its current set-aside of 0.15 percent through fiscal year 2000. The measure also makes some significant improvements to the program.

H.R. 2429 requires the STTR participating agencies to include STTR in their annual performance plans, as required by the Results Act. This plan will result in each agency defining program goals and setting out metrics to measure these goals. I believe that the plan will give Congress a clearer picture of the effectiveness of the STTR Program. In addition to the performance plan, H.R. 2429 requires each agency to include programs under 15 U.S.C. 638 in their strategic plan updates, again a requirement under the Results Act.

The STTR program has been criticized in some circles for the disparity of awards among States. To address this concern, H.R. 2429 mandates the Small Business Administration to develop an outreach program for small businesses and universities from States that have not received 20 or more STTR or Small Business Innovation Research [SBIR] awards in the previous 2 fiscal years. I do not favor mandating a set-aside for these States, but I do believe that through this program we will see an increase in the number of award applications, which should serve to strengthen STTR.

Finally, H.R. 2429 assures that the Committee on Science will be added to the list of committee's receiving the Small Business Administration's annual report on the STTR and SBIR Programs.

I am pleased that H.R. 2429 will be incorporated in its totality into H.R. 2261. It is also my understanding that the Committee on Science will have an equal number of conferees as the Small Business Committee on the STTR provision, when and if conference occurs with the Senate. I look forward to working with the Small Business Committee in representing the House position on the STTR Program.

Mr. WEYGAND. Mr. Speaker, I rise in support of H.R. 2261, the Small Business Programs Reauthorization and Amendments Act of 1997. First, I would like to thank Chairman TALENT and Mr. LAFALCE for their leadership and for producing a bill that will undoubtedly benefit all small businesses. This bill reauthorizes the Small Business Administration and its programs which provide access to capital and services that might not otherwise be available to small business owners.

To highlight the SBA's importance, I would like too showcase what the SBA is doing in my district, in Rhode Island. Over the past 4 years there have been significant increases in the number of Small Business Administration loans awarded. In fact the number of loans has more than doubled. In 1993, there were 115 approved loans totaling $32.6 million, in 1996, there were 292 loans totaling $53.3 million.

Importantly, in my district alone there have been dramatic improvements in access to capital for women, minorities, and veterans. In 1993, there were 8 loans to minorities, 17 to women, and 14 to veterans. In 1996, we had 16 loans to minorities, 40 to women, and 46 to veterans. That is, nearly 35 percent of all approved SBA loans are going to these three groups. By reauthorizing these programs we will continue to provide the access to capital that those groups need allowing us to expand opportunities to women, minorities, and veterans.

I cannot overstate the impact of small business on Rhode Island's economy. Approximately 97 percent of all businesses in Rhode Island are classified as small businesses. These companies employ thousands of Rhode Islanders and provide the economic foundation of my State and our country. Small businesses play a vital role in job creation and provide endless opportunities for our citizens.

Along with the financial programs, the SBA provides services to assist business owners in becoming or remaining successful. Once a business has a loan we must make sure that the business stays healthy and profitable enough to repay that loan. Services provided by programs such as Small Business Development Centers, Service Corps of Retired Entrepreneurs, Business Information Centers, Minority Enterprise Development program, and Women's Business Enterprise program supply information and counseling services to business owners. These services are invaluable to the smallest businesses who do not have the budgets to hire high-priced consultants.

Small businesses are the backbone of our economy. They account for 53 percent of the Nation's private workforce. Small businesses generate more than 50 percent of the gross domestic product and are the primary source growth across the country. We, as leaders, must do all we can to foster and encourage the development and growth of small businesses and this bill moves us in that direction. This bill will allow us to continue to support existing small businesses and encourage the development of new ones, both in Rhode Island and across the country. I urge my colleagues to support it.

Mr. TALENT. Mr. Speaker, the primary purpose of H.R. 2261 is to reauthorize the Small Business Administration [SBA] and the programs which that agency manages by authority granted under the Small Business Act and the Small Business Investment Act through fiscal year 2000. The committee regularly authorizes these programs for a 3-year period, with the last reauthorization occurring in 1994 during the 103d Congress. The programs include the financial programs of the SBA: the 7(a) general business loan guarantee program, the Section 504 Certified Development Company program, the Microloan program and the Small Business Investment Company [SBIC] program.

In addition, the bill will reauthorize the technical assistance and procurement programs of the SBA—the Service Core of Retired Executives [SCORES], the Women's Business Center program, the Small Business Development Center [SBDC] program, the Competitiveness Demonstration program, and other.

This legislation also changes and improves various programs, specifically modifying the Section 504 Preferred Certified Lender Program [PCLP], the SBIC program, the Women's Business Center program, and the SBDC program.

The programs of the Small Business Administration annually provide over $14 billion of financial assistance to over 100,000 small businesses all across the United States. These financial programs remedy shortfalls in access to credit and capital for small businesses that are in need because of unfortunate imperfections in our national economy. By assuring financial assistance for amounts as small as $500 to as much as $1,250,000, the SBA and its private sector partners—bank and nonbank lenders, surety bond insurers, certified development companies, microlenders, and small business investment companies—provide a vital impetus to the small business sector of the economy. The SBA also provides hundreds of millions of dollars in vital disaster assistance to small businesses and homeowners every year.

H.R. 2261 reflects the committee's dedication to and support for these programs and the belief that they are not only necessary but also constantly in need of refinement and improvement as the economy shifts and changes. The bill includes not only the basic reauthorization language necessary to continue regular operations but also changes to the underlying program structures.

The bill includes significant improvements in the Preferred Certified Lender Program of the Section 504 Certified Development Company Program. These changes serve to help implement the committee's goals of increased reliance on private sector lending partners. The committee seeks to both enable the certified development companies to take additional responsibility for servicing, liquidation, and litigation of defaulted loans, and to improve the recoveries for this program.

Committee hearings revealed that recoveries are, in fact, the largest single factor in the increased subsidy cost of the 504 program. The committee continues to be concerned over the subsidy estimates for the 7(a) and 504 programs and makes these changes in the 504 program in order to encourage private sector participation in the liquidation process.

H.R. 2261 also continues the committee's work on improving the Small Business Investment Company program. Last year this program underwent significant changes, and this year the committee seeks to build on those improvements by providing SBIC's with increased flexibility and some responsiveness in order to better allow the SBIC's to interact in the marketplace and thereby reduce risks of loss.

The bill also reauthorizes and improves the Microloan program. Begun in 1991, this program has served the smallest and often least noticed segment of the small business community. The committee has recognized the efficacy of this program and changed it from demonstration to permanent program status.

In addition to financial assistance, the SBA also provides technical and managerial advice and assistance to hundreds of thousands of small businesses every year through the small business development centers, the women's business centers, and the Service Corps of Retired Executives. The committee reauthorizes these programs in H.R. 2261 and makes some valuable improvements to both the Women's Business Center and Small Business Development Center programs.

The measure before us has two additional components that were added to this legislation since our committee reported it. These additional elements have been added as a result of bipartisan efforts; and, in fact, have involved the collective work of multiple committees. Title VI of H.R. 2261, as amended, contains a number of provisions which are designed to assist the Federal Government in better serving service disabled veterans and small businesses owned by service disabled veterans. These measures are the product of bipartisan efforts by myself and our committee's ranking member, working together with the chairman of the Rules Committee and the chairman of the Committee on Veterans' Affairs.

Title VII of this legislation is also the product of a bipartisan and multicommittee effort between the Small Business Committee and the Science Committee. Title VII contains H.R. 2429, as reported by the Committee on Science, which is a 3-year reauthorization of the Pilot Small Business Technology Transfer [STTR] program. Building upon the established model of the Small Business Innovation Research [SBIR] program, the STTR Program provides the statutory basis for structured collaborations between small technology entrepreneurs and nonprofit research institutions, such as universities or Federal-funded research and development centers [FFRDC's], to foster commercialization of the results of federally sponsored research.

Mr. Speaker, H.R. 2261 is the product of bipartisan efforts in our committee to reauthorize the Small Business Administration through fiscal year 2000. It also reflects the efforts of other individuals and committees and their staffs. I would like to thank Mr. SENSENBRENNER, the chairman of the Committee on Science, and Mr. BROWN, his ranking member, for their work on H.R. 2429, which has become title VII of this legislation. I would also like to express my appreciation to their staff who worked on this. I would also like to thank Mr. STUMP, the chairman of the Veterans' Affairs Committee, and Mr. SOLOMON, the chairman of the Rules Committee, along with their staffs, for their help in working on title VI of this legislation. I would also like to thank our committee's ranking member, Mr. LAFALCE, for all of his help in helping to craft this legislation and assisting in bringing it to this floor. Finally, I would like to acknowledge the Small Business Committee staff who worked on this legislation: Emily Murphy, Mary McKenzie, Charles "Tee" Rowe, and Harry Katrichis for the majority, and Jeanne Roslanowick, Steve McSpadden, and Tom Powers for the minority.

I urge my colleagues to vote for this important legislation.

Mrs. MORELLA. Mr. Speaker, I am delighted that the bipartisan bill H.R. 2429 will be included as an amendment to the small business reauthorization bill. I would like to thank Chairman SENSENBRENNER; ranking member, Mr. BROWN; the ranking member of the Subcommittee on Technology, Mr. GORDON; Mr. BARTLETT, as well as the other members from the Committee on Small Business who have cosponsored H.R. 2429.

The STTR program expires on September 30th of this year. H.R. 2429 will reauthorize STTR at its current set-aside level through fiscal year 2000. This will put STTR on the same timeline as its parent program, the Small Business Innovation Research Program.

STTR fosters collaboration between small businesses and research institutions to develop high-technology projects that can one day reach the marketplace or be used by the Federal Government. Since its inception, STTR has made nearly 800 awards totaling over $115 million. Of those totals, 42 awards for $4.8 million have gone to Maryland small businesses.

As Chairman SENSENBRENNER has stated, H.R. 2429 addresses some important concerns regarding the STTR Program, including establishing goals for the program, and establishing an outreach program to increase the participation of those states that have been under-represented in the STTR Program.

STTR began in 1994. Very few ideas have even reached the phase II level. Because of its infancy, it was difficult to determine whether STTR was a success or not. I hope that—with the changes made by H.R. 2429—along with 3 more years of data, Congress will have a better idea of the effectiveness and success of the program when its reauthorization expires in the year 2000.

Mr. TALENT. I have no further speakers on this side, Mr. Speaker, and so I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Missouri [Mr. TALENT] that the House suspend the rules and pass the bill, H.R. 2261, as amended.

The question was taken.

Mr. MILLER of Florida. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Pursuant to clause 5, rule I, and the Chair's prior announcement, further proceedings on this motion will be postponed.

The point of no quorum is considered withdrawn.

GENERAL LEAVE

Mr. TALENT. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on H.R. 2261, the bill just considered

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Missouri?

There was no objection.

CHILD SUPPORT INCENTIVE ACT OF 1997

Mr. SHAW. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 2487) to improve the effectiveness and efficiency of the child support enforcement program and thereby increase the financial stability of single parent families, including those attempting to leave welfare, as amended.

The Clerk read as follows:

H.R. 2487

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Child Support Incentive Act of 1997".

SEC. 2. INCENTIVE PAYMENTS TO STATES.

(a) IN GENERAL.—Part D of title IV of the Social Security Act (42 U.S.C. 651–669) is amended by inserting after section 458 the following:

"SEC. 458A. INCENTIVE PAYMENTS TO STATES.

"(a) IN GENERAL.—In addition to any other payment under this part, the Secretary shall, subject to subsection (f), make an incentive payment to each State for each fiscal year in an amount determined under subsection (b).

"(b) AMOUNT OF INCENTIVE PAYMENT.—

"(1) IN GENERAL.—The incentive payment for a State for a fiscal year is equal to the sum of the applicable percentages (determined in accordance with paragraph (3)) of the maximum incentive amount for the State for the fiscal year, with respect to each of the following measures of State performance for the fiscal year:

"(A) The paternity establishment performance level.

"(B) The support order performance level.

"(C) The current payment performance level.

"(D) The arrearage payment performance level.

"(E) The cost-effectiveness performance level.

"(2) MAXIMUM INCENTIVE AMOUNT.—

"(A) IN GENERAL.—For purposes of paragraph (1), the maximum incentive amount for a State for a fiscal year is—

"(i) with respect to the performance measures described in subparagraphs (A), (B), and (C) of paragraph (1), 0.49 percent of the State collections base for the fiscal year; and

"(ii) with respect to the performance measures described in subparagraphs (D) and (E) of paragraph (1), 0.37 percent of the State collections base for the fiscal year.

"(B) DATA USED TO CALCULATE RATIOS REQUIRED TO BE COMPLETE AND RELIABLE.—Notwithstanding subparagraph (A), the maximum incentive amount for a State for a fiscal year with respect to a performance measure described in paragraph (1) is zero, unless the Secretary determines, on the basis of an audit performed under section 452(a)(4)(C)(i), that the data which the State submitted pursuant to section 454(15)(B) for the fiscal year and which is used to determine the performance level involved is complete and reliable.

"(C) STATE COLLECTIONS BASE.—For purposes of subparagraph (A), the State collections base for a fiscal year is equal to the sum of—

"(i) 2 times the sum of—

"(I) the total amount of support collected during the fiscal year under the State plan approved under this part in cases in which the support obligation involved is required to be assigned to the State pursuant to part A or E of this title or title XIX; and

"(II) the total amount of support collected during the fiscal year under the State plan approved under this part in cases in which the support obligation involved was so assigned but, at the time of collection, is not required to be so assigned; and

"(ii) the total amount of support collected during the fiscal year under the State plan approved under this part in all other cases.

"(3) DETERMINATION OF APPLICABLE PERCENTAGES BASED ON PERFORMANCE LEVELS.—

"(A) PATERNITY ESTABLISHMENT.—

"(i) DETERMINATION OF PATERNITY ESTABLISHMENT PERFORMANCE LEVEL.—The paternity establishment performance level for a State for a fiscal year is, at the option of the State, the IV-D paternity establishment percentage determined under section 452(g)(2)(A) or the statewide paternity establishment percentage determined under section 452(g)(2)(B).

"(ii) DETERMINATION OF APPLICABLE PERCENTAGE.—The applicable percentage with respect to a State's paternity establishment performance level is as follows:

"If the paternity establishment performance level is: At least:	But less than:	The applicable percentage is:
80%		100
79%	80%	98
78%	79%	96
77%	78%	94
76%	77%	92
75%	76%	90
74%	75%	88
73%	74%	86
72%	73%	84
71%	72%	82
70%	71%	80
69%	70%	79
68%	69%	78
67%	68%	77
66%	67%	76
65%	66%	75
64%	65%	74
63%	64%	73
62%	63%	72
61%	62%	71
60%	61%	70
59%	60%	69
58%	59%	68
57%	58%	67
56%	57%	66
55%	56%	65
54%	55%	64
53%	54%	63
52%	53%	62
51%	52%	61
50%	51%	60
0%	50%	0.

Notwithstanding the preceding sentence, if the paternity establishment performance level of a State for a fiscal year is less than 50 percent but exceeds by at least 10 percentage points the paternity establishment performance level of the State for the immediately preceding fiscal year, then the applicable percentage with respect to the State's paternity establishment performance level is 50 percent.

"(B) ESTABLISHMENT OF CHILD SUPPORT ORDERS.—

"(i) DETERMINATION OF SUPPORT ORDER PERFORMANCE LEVEL.—The support order performance level for a State for a fiscal year is the percentage of the total number of cases under the State plan approved under this part in which there is a support order during the fiscal year.

"(ii) DETERMINATION OF APPLICABLE PERCENTAGE.—The applicable percentage with respect to a State's support order performance level is as follows:

"If the support order performance level is: At least:	But less than:	The applicable percentage is:
80%		100
79%	80%	98
78%	79%	96
77%	78%	94
76%	77%	92
75%	76%	90
74%	75%	88
73%	74%	86
72%	73%	84
71%	72%	82
70%	71%	80
69%	70%	79
68%	69%	78
67%	68%	77
66%	67%	76
65%	66%	75
64%	65%	74
63%	64%	73
62%	63%	72
61%	62%	71
60%	61%	70
59%	60%	69
58%	59%	68
57%	58%	67
56%	57%	66
55%	56%	65
54%	55%	64
53%	54%	63
52%	53%	62
51%	52%	61
50%	51%	60
0%	50%	0.

Notwithstanding the preceding sentence, if the support order performance level of a State for a fiscal year is less than 50 percent but exceeds by at least 5 percentage points the support order performance level of the State for the immediately preceding fiscal year, then the applicable percentage with respect to the State's support order performance level is 50 percent.

"(C) COLLECTIONS ON CURRENT CHILD SUPPORT DUE.—

"(i) DETERMINATION OF CURRENT PAYMENT PERFORMANCE LEVEL.—The current payment performance level for a State for a fiscal year is equal to the total amount of current support collected during the fiscal year under the State plan approved under this part divided by the total amount of current support owed during the fiscal year in all cases under the State plan, expressed as a percentage.

"(ii) DETERMINATION OF APPLICABLE PERCENTAGE.—The applicable percentage with respect to a State's current payment performance level is as follows:

"If the current payment performance level is: At least:	But less than:	The applicable percentage is:
80%		100
79%	80%	98
78%	79%	96
77%	78%	94
76%	77%	92
75%	76%	90
74%	75%	88
73%	74%	86
72%	73%	84
71%	72%	82
70%	71%	80
69%	70%	79
68%	69%	78
67%	68%	77
66%	67%	76
65%	66%	75
64%	65%	74
63%	64%	73
62%	63%	72
61%	62%	71
60%	61%	70
59%	60%	69
58%	59%	68
57%	58%	67
56%	57%	66
55%	56%	65
54%	55%	64
53%	54%	63
52%	53%	62
51%	52%	61
50%	51%	60
49%	50%	59
48%	49%	58
47%	48%	57
46%	47%	56
45%	46%	55
44%	45%	54
43%	44%	53
42%	43%	52
41%	42%	51
40%	41%	50
0%	40%	0.

Notwithstanding the preceding sentence, if the current payment performance level of a State for a fiscal year is less than 40 percent but exceeds by at least 5 percentage points the current payment performance level of the State for the immediately preceding fiscal year, then the applicable percentage with respect to the State's current payment performance level is 50 percent.

"(D) COLLECTIONS ON CHILD SUPPORT ARREARAGES.—

"(i) DETERMINATION OF ARREARAGE PAYMENT PERFORMANCE LEVEL.—The arrearage payment performance level for a State for a fiscal year is equal to the total number of cases under the State plan approved under this part in which payments of past-due child support were received during the fiscal year and part or all of the payments were distributed to the family to whom the past-due child support was owed (or, if all past-due child support owed to the family was, at the time of receipt, subject to an assignment to the State, part or all of the payments were retained by the State) divided by the total number of cases under the State plan in which there is past-due child support, expressed as a percentage.

"(ii) DETERMINATION OF APPLICABLE PERCENTAGE.—The applicable percentage with respect to a State's arrearage payment performance level is as follows:

"If the arrearage payment performance level is: At least:	But less than:	The applicable percentage is:
80%		100
79%	80%	98
78%	79%	96
77%	78%	94
76%	77%	92
75%	76%	90
74%	75%	88
73%	74%	86
72%	73%	84
71%	72%	82
70%	71%	80
69%	70%	79
68%	69%	78
67%	68%	77
66%	67%	76
65%	66%	75
64%	65%	74
63%	64%	73
62%	63%	72
61%	62%	71
60%	61%	70
59%	60%	69
58%	59%	68
57%	58%	67
56%	57%	66
55%	56%	65
54%	55%	64
53%	54%	63
52%	53%	62
51%	52%	61
50%	51%	60
49%	50%	59
48%	49%	58
47%	48%	57
46%	47%	56
45%	46%	55
44%	45%	54
43%	44%	53
42%	43%	52
41%	42%	51
40%	41%	50
0%	40%	0.

Notwithstanding the preceding sentence, if the arrearage payment performance level of a State for a fiscal year is less than 40 percent but exceeds by at least 5 percentage points the arrearage payment performance level of the State for the immediately preceding fiscal year, then the applicable percentage with respect to the State's arrearage payment performance level is 50 percent.

"(E) COST-EFFECTIVENESS.—

"(i) DETERMINATION OF COST-EFFECTIVENESS PERFORMANCE LEVEL.—The cost-effectiveness performance level for a State for a fiscal year is equal to the total amount collected during the fiscal year under the State plan approved under this part divided by the total amount expended

during the fiscal year under the State plan, expressed as a ratio.

"(ii) DETERMINATION OF APPLICABLE PERCENTAGE.—The applicable percentage with respect to a State's cost-effectiveness performance level is as follows:

"If the cost effectiveness performance level is:		The applicable percentage is:
At least:	But less than:	
5.00		100
4.50	4.99	90
4.00	4.50	80
3.50	4.00	70
3.00	3.50	60
2.50	3.00	50
2.00	2.50	40
0.00	2.00	0.

"(c) TREATMENT OF INTERSTATE COLLECTIONS.—In computing incentive payments under this section, support which is collected by a State at the request of another State shall be treated as having been collected in full by both States, and any amounts expended by a State in carrying out a special project assisted under section 455(e) shall be excluded.

"(d) ADMINISTRATIVE PROVISIONS.—The amounts of the incentive payments to be made to the States under this section for a fiscal year shall be estimated by the Secretary at or before the beginning of the fiscal year on the basis of the best information available. The Secretary shall make the payments for the fiscal year, on a quarterly basis (with each quarterly payment being made no later than the beginning of the quarter involved), in the amounts so estimated, reduced or increased to the extent of any overpayments or underpayments which the Secretary determines were made under this section to the States involved for prior periods and with respect to which adjustment has not already been made under this subsection. Upon the making of any estimate by the Secretary under the preceding sentence, any appropriations available for payments under this section are deemed obligated.

"(e) REGULATIONS.—The Secretary shall prescribe such regulations as may be necessary governing the calculation of incentive payments under this section, including directions for excluding from the calculations certain closed cases and cases over which the States do not have jurisdiction.

"(f) REINVESTMENT.—A State to which a payment is made under this section shall expend the full amount of the payment—

"(1) to carry out the State plan approved under this part; or

"(2) for any activity (including cost-effective contracts with local agencies) approved by the Secretary, whether or not the expenditures for which are eligible for reimbursement under this part, which may contribute to improving the effectiveness or efficiency of the State program operated under this part.".

(b) TRANSITION RULE.—Notwithstanding any other provision of law—

(1) for fiscal year 2000, the Secretary shall reduce by ⅓ the amount otherwise payable to a State under section 458, and shall reduce by ⅔ the amount otherwise payable to a State under section 458A; and

(2) for fiscal year 2001, the Secretary shall reduce by ⅔ the amount otherwise payable to a State under section 458, and shall reduce by ⅓ the amount otherwise payable to a State under section 458A.

(c) REGULATIONS.—Within 9 months after the date of the enactment of this section, the Secretary of Health and Human Services shall prescribe regulations governing the implementation of section 458A of the Social Security Act when such section takes effect and the implementation of subsection (b) of this section.

(d) STUDIES.—

(1) GENERAL REVIEW OF NEW INCENTIVE PAYMENT SYSTEM.—

(A) IN GENERAL.—The Secretary of Health and Human Services shall conduct a study of the implementation of the incentive payment system established by section 458A of the Social Security Act, in order to identify the problems and successes of the system.

(B) REPORTS TO THE CONGRESS.—

(i) REPORT ON VARIATIONS IN STATE PERFORMANCE ATTRIBUTABLE TO DEMOGRAPHIC VARIABLES.—Not later than October 1, 2000, the Secretary shall submit to the Congress a report that identifies any demographic or economic variables that account for differences in the performance levels achieved by the States with respect to the performance measures used in the system, and contains the recommendations of the Secretary for such adjustments to the system as may be necessary to ensure that the relative performance of States is measured from a baseline that takes account of any such variables.

(ii) INTERIM REPORT.—Not later than March 1, 2001, the Secretary shall submit to the Congress an interim report that contains the findings of the study required by subparagraph (A).

(iii) FINAL REPORT.—Not later than October 1, 2003, the Secretary shall submit to the Congress a final report that contains the final findings of the study required by subparagraph (A). The report shall include any recommendations for changes in the system that the Secretary determines would improve the operation of the child support enforcement program.

(2) DEVELOPMENT OF MEDICAL SUPPORT INCENTIVE.—

(A) IN GENERAL.—The Secretary of Health and Human Services, in consultation with State directors of programs operated under part D of title IV of the Social Security Act and representatives of children potentially eligible for medical support, shall develop a performance measure based on the effectiveness of States in establishing and enforcing medical support obligations, and shall make recommendations for the incorporation of the measure, in a revenue neutral manner, into the incentive payment system established by section 458A of the Social Security Act.

(B) REPORT.—Not later than October 1, 1999, the Secretary shall submit to the Congress a report that describes the performance measure and contains the recommendations required by subparagraph (A).

(e) TECHNICAL AMENDMENTS.—

(1) IN GENERAL.—Section 341 of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (42 U.S.C. 658 note) is amended—

(A) by striking subsection (a) and redesignating subsections (b), (c), and (d) as subsections (a), (b), and (c), respectively; and

(B) in subsection (c) (as so redesignated)—

(i) by striking paragraph (1) and inserting the following:

"(1) CONFORMING AMENDMENTS TO PRESENT SYSTEM.—The amendments made by subsection (a) of this section shall become effective with respect to a State as of the date the amendments made by section 103(a) (without regard to section 116(a)(2)) first apply to the State."; and

(ii) in paragraph (2), by striking "(c)" and inserting "(b)".

(2) EFFECTIVE DATE.—The amendments made by this section shall take effect as if included in the enactment of section 341 of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996.

(f) ELIMINATION OF PREDECESSOR INCENTIVE PAYMENT SYSTEM.—

(1) REPEAL.—Section 458 of the Social Security Act (42 U.S.C. 658) is repealed.

(2) CONFORMING AMENDMENTS.—

(A) Section 458A of the Social Security Act (42 U.S.C. 658a) is redesignated as section 458.

(B) Subsection (d)(1) of this section is amended by striking "458A" and inserting "458".

(3) EFFECTIVE DATE.—The amendments made by this subsection shall take effect on October 1, 2001.

(g) GENERAL EFFECTIVE DATE.—Except as otherwise provided in this section, the amendments made by this section shall take effect on October 1, 1999.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Florida [Mr. SHAW] and the gentleman from Michigan [Mr. LEVIN] each will control 20 minutes.

The Chair recognizes the gentleman from Florida [Mr. SHAW].

GENERAL LEAVE

Mr. SHAW. Mr. Speaker, I ask unanimous consent that all Members have 5 legislative days in which to revise and extend their remarks and include extraneous material on H.R. 2487.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. SHAW. Mr. Speaker, the Federal Government now spends nearly half a billion dollars per year providing the States with incentive payments for good performance in collecting child support, but the current system has serious deficiencies.

The Federal Government provides more than half the incentive money virtually without regard to performance. Even worse, although many States have poor child support programs, current laws allow States to use the incentive payment as a kind of kitty for the State treasury. Thus, money that should be used to improve child support programs is used by some States to build roads and bridges.

The new system we are considering today, based on work by the administration, directors of State and child support programs, and a bipartisan coalition headed by the gentleman from Michigan [Mr. LEVIN] and me, solves both of these problems and more. Under this bill, which was approved unanimously by the Committee on Ways and Means, every penny of the incentive money will be based on performance and States can use the money only on child support activities.

The new incentive system created by this legislation is simply one more tool that Congress has enacted to improve the performance of the Federal-State child support program. Many other tools are just now being put in place by State governments as required under last year's welfare reform law.

Once all of last year's reforms are in place and once the new incentive program begins to reward high-performance States, I believe we will see a steady improvement in the child support program as more and more single-parent families and children receive sorely needed cash and medical support. Perhaps of the greatest importance, many hundreds of thousands of

those helped will be single parents struggling to leave welfare and to stay off of welfare.

This bill enjoys bipartisan support and was developed in close cooperation with the administration. The reforms made by this bill will greatly improve the child support program. Let us bring this bill out of the House with a resounding voice so that the Nation's children can start getting the financial support they need and deserve.

Mr. Speaker, I reserve the balance of my time.

□ 1330

Mr. LEVIN. Mr. Speaker, I yield myself such time as I may consume.

I want to thank the gentleman from Florida [Mr. SHAW], and I wish to express my appreciation for the bipartisan spirit with which this important piece of legislation has been developed. I would also like to congratulate the administration, HHS, Secretary Shalala and all of her staff, and I would like to congratulate the staffs of our committee, Dr. Haskins, who is here, Deborah Colton, who is on the floor with us, my own staff, as well as others, because today we are poised to take an important next step in our continuing efforts to assure that every kid in this country is supported by both parents. A job that pays a living wage is one component of self-sufficiency for families, and for single parents, a child support order and a noncustodial parent who supports the family every month can be equally important.

Last year we devoted considerable time and attention to one aspect of assuring the financial security of America's children: making work a central element of our Nation's welfare laws. After all, a job paying a living wage is probably the most important component of self-sufficiency for families on welfare.

Another essential part of welfare reform is child support. It sends a message of responsibility to both parents and it is a vital part of moving families toward work and self-sufficiency.

We have seen some progress since the 1970's when Congress began to insist that States give priority to child support enforcement. Collections have risen from $1 billion a year to more than $11 billion in 1995; and in that same year, more than 5 million parents were located and paternity was established for over 600,000 children.

But that is not good enough. Of the 9.9 million female-headed families in 1991 eligible for child support, only 56 percent had child support orders. That means that 4.5 million families did not even have an order to enforce. Those with child support orders were not always much better off. Only about half of those due money from a noncustodial parent actually received 100 percent of their court-ordered child support payments.

Well, in the mid-1980's when we designed the current incentive system, we did the best we could with limited information available to us. But now, after nearly a decade of experience, we are in a position to create a more sophisticated system that truly rewards performance.

The new system will reward States with incentive funds based on the State's performance in 5 essential areas: establishment of paternity; establishment of child support orders; collection on current child support owed; collection on previously or past due child support owed; and cost-effectiveness. These measures will more accurately reflect the true performance of the States and their success in helping families achieve self-sufficiency.

To be sure, a wholesale change of this magnitude may be a bit daunting to States because of the uncertainty of the size of incentive payments coupled with the dramatic changes our entire welfare system is undergoing. But before we conclude that some States may lose Federal funds under this new system, let us remember that it will be several years before the new incentives are fully implemented, and the goal is for all States to continue working and to qualify for the new incentives.

In the past decade, we have made progress, but as said, much more remains to be done, and as the gentleman from Florida [Mr. SHAW], has said so well throughout these proceedings, this bill can help.

Our legislation redesigns the financing of the child support program to reward those States that perform best. We fine-tune the incentive payments we make to the States so that those States that operate a balanced and efficient program are rewarded, and we phase in the new system, and that should be emphasized, to minimize any disruptions at the State level.

This bill is a bipartisan product. It is truly a consensus proposal, and I am sure that the gentleman from Florida [Mr. SHAW] and all of the Members of our committee, and I think the House today, will join in expressing this hope, that we will not only pass this bill in this House but the Senate will act on it before it adjourns for the year.

Mr. Speaker, I reserve the balance of my time.

Mr. SHAW. Mr. Speaker, I do not have any further requests for time, and I yield back the balance of my time.

Mr. LEVIN. Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Florida [Mr. SHAW] that the House suspend the rules and pass the bill, H.R. 2487, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

SECURITIES AND EXCHANGE COMMISSION AUTHORIZATION, FISCAL YEARS 1998 AND 1999

Mr. OXLEY. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 1262) to authorize appropriations for the Securities and Exchange Commission for fiscal years 1998 and 1999, and for other purposes.

The Clerk read as follows:

H.R. 1262

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Securities and Exchange Commission Authorization Act of 1997".

SEC. 2. AUTHORIZATION OF APPROPRIATIONS.

Section 35 of the Securities Exchange Act of 1934 (15 U.S.C. 78kk) is amended to read as follows:

"SEC. 35. AUTHORIZATION OF APPROPRIATIONS.

"(a) IN GENERAL.—In addition to any other funds authorized to be appropriated to the Commission, there are authorized to be appropriated to carry out the functions, powers, and duties of the Commission—

"(1) $320,000,000 for fiscal year 1998; and

"(2) $342,700,000 for fiscal year 1999.

"(b) MISCELLANEOUS EXPENSES.—Funds appropriated pursuant to this section are authorized to be expended—

"(1) not to exceed $3,000 per fiscal year, for official reception and representation expenses;

"(2) not to exceed $10,000 per fiscal year, for funding a permanent secretariat for the International Organization of Securities Commissions; and

"(3) not to exceed $100,000 per fiscal year, for expenses for consultations and meetings hosted by the Commission with foreign governmental and other regulatory officials, members of their delegations, appropriate representatives, and staff to exchange views concerning developments relating to securities matters, for development and implementation of cooperation agreements concerning securities matters and provision of technical assistance for the development of foreign securities markets, such expenses to include necessary logistic and administrative expenses and the expenses of Commission staff and foreign invitees in attendance at such consultations and meetings, including—

"(A) such incidental expenses as meals taken in the course of such attendance;

"(B) any travel or transportation to or from such meetings; and

"(C) any other related lodging or subsistence.".

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Ohio [Mr. OXLEY] and the gentleman from New York [Mr. MANTON] each will control 20 minutes.

The Chair recognizes the gentleman from Ohio [Mr. OXLEY].

Mr. OXLEY. Mr. Speaker I yield myself such time as I may consume.

Mr. Speaker, I am pleased to be a sponsor of the legislation before us today which will authorize the Securities and Exchange Commission for appropriations for fiscal years 1998 and 1999.

The capital markets of this Nation are expanding at an unprecedented

rate. The broad spectrum of investors that these markets attract, individual Americans saving through mutual fund investments, institutional investors like pension funds, venture capitalists and more, are fueling the growth of our economy. Last year, $50 billion was raised for new businesses through our capital markets. Today, mutual fund assets, at a record $3.7 trillion, surpass bank deposits by more than $1 trillion.

As our markets are expanding, they are also developing. The astonishing advancements in technology in recent years are creating new mechanisms for investors to access our markets and to obtain better, faster information about market activity.

Against this backdrop, this legislation takes on increased significance. The Securities and Exchange Commission is, indeed, the investor's advocate. The growth and success of our great capital markets is dependent upon their fundamental fairness. The Securities and Exchange Commission has demonstrated its commitment to ensure that the fairness of our markets is not compromised. Investors around the world come to the U.S. markets in no small part because of the confidence they have in that basic fairness.

Our capital markets rely upon not only investor confidence, but also the extraordinary ingenuity that has spurred the markets' development. It is essential that in regulating these markets, we do not stifle them. Chairman Arthur Levitt and the Commission are to be commended for initiating regulatory changes to facilitate the ability of companies to raise capital. They have eliminated unnecessary regulations, liberalized exemptions for all business, streamlined filing requirements, and promoted the use of something we are often in dire need of here on Capitol Hill: good old plain English. Reduction of regulatory burdens has aided the tremendous growth of our markets, and I intend to ensure that regulation continues to become less intrusive, less expensive, more flexible and more sensible.

H.R. 1262, the Securities and Exchange Commission Authorization Act of 1997, authorizes $320 million for fiscal year 1998 and $342 million for fiscal year 1999. The authorization for fiscal year 1998 is essentially flat from the current year. The increase of approximately $22 million for the 1999 appropriation will provide the Commission with necessary resources to manage the growth and development of our capital markets.

Importantly, this legislation is consistent with the provisions of the fee reduction agreement among the gentleman from Virginia [Mr. BLILEY] of the Committee on Commerce, the gentleman from Texas [Mr. ARCHER] of the Committee on Ways and Means, and the gentleman from Kentucky [Mr. ROGERS] of the Committee on Appropriations, as enacted in the National Securities Markets Improvement Act of 1996. Through this agreement, the fees that the Commission receives will gradually be reduced, while the funding for the Commission will be increasingly provided through an appropriation.

I am pleased to have sponsored H.R. 1262 and to be joined by my friends, the gentleman from Virginia [Mr. BLILEY], the gentleman from Michigan [Mr. DINGELL], the gentleman from New York, [Mr. MANTON], and the gentleman from Massachusetts [Mr. MARKEY], as cosponsors. This legislation is as necessary for the economy as it is for investors, and I urge all of my colleagues to join us with their support.

Mr. Speaker, I reserve the balance of my time.

Mr. MANTON. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I am pleased to join my colleague, the gentleman from Ohio [Mr. OXLEY], in support of this legislation. Over the years, the SEC has proven to be an efficient and effective regulator of our securities markets, despite having both limited resources and personnel. The funding authorized by this legislation will enable the SEC to continue to fulfill its dual objectives of both protecting investors and assuring fair and orderly markets.

As a representative from the great State of New York, home to the largest financial markets in the world, I am particularly appreciative of the indispensable role the Commission performs in maintaining the strength and integrity of our markets. The importance of this industry to the city and State cannot be overestimated. The exchanges and financial institutions provide enormous tax revenue and also jobs for thousands of New Yorkers. In fact, last year alone record profits on Wall Street resulted in more than $450 million in unanticipated tax revenue for the city.

Over the last several years, millions of Americans have flooded the securities market, resulting in record-breaking highs on major indices. The SEC serves as police and protector for average investors by guarding against fraud and manipulation. This is especially necessary at present when so many people rely on stability and fairness of our markets.

The SEC also faces new challenges due to technological developments that offer instant and inexpensive communication between markets and participants. While this new technology offers great opportunity for investors, it also potentially exposes them to significant risk.

I commend Chairman Levitt and the Commissioners for doing a wonderful job keeping pace in this rapidly-changing environment and for working to ensure that, above all, individual investors be protected and supplied with clear and trustworthy information.

Mr. Speaker, in keeping with tradition, the Committee on Commerce reported out a clean SEC reauthorization bill. I hope all of my colleagues will support this legislation.

Mr. BLILEY. Mr. Speaker, I am pleased to be a sponsor of the legislation before us today. H.R. 1262, the Securities and Exchange Commission Authorization Act of 1997, authorizes appropriations for the Securities and Exchange Commission for fiscal years 1998 and 1999. These appropriations are necessary to ensure that the Commission is provided with the resources it needs to continue its important work as regulator of our securities markets.

This legislation continues the process we put into place in the 104th Congress with the enactment of the National Securities Markets Improvement Act of 1996. That act established a mechanism to bring greater certainty to the Commission's funding and to reduce the fees that the participants in our capital markets pay the Commission.

That mechanism, reached through an agreement with my friends BILL ARCHER of the Ways and Means Committee and HAROLD ROGERS of the Appropriations Committee, implements a new funding structure that increasingly funds the Commission through an appropriation and reduces SEC fees. Those fees, which in recent years have amounted to more than double the Commission's budget, are a tax on capital. The legislation we enacted last year will eventually bring the fees down to a level that equals what it costs to run the agency.

I am pleased that the funding authorization in H.R. 1262 and the Commission's budget request for fiscal 1998 and 1999 are consistent with the agreement underlying the Commission's new funding structure.

This legislation is especially important in this era of unprecedented growth in our capital markets. Last October 14, the markets were abuzz with the remarkable news that the Dow had finally crossed the 6,000 mark. Incredibly, today, less than a year later, the Dow is hovering around 8,000. The record pace at which investors are pouring their money into our capital markets is a testament to the confidence those markets inspire. The Securities and Exchange Commission serves a vital role in preserving and promoting the fairness that is the backbone of our markets.

Equally important, the Commission is charged with the obligation to tailor its regulation of our markets to promote efficiency, competition, and the continued fostering of capital formation. Our markets may be the most successful in the world today, but that doesn't mean there is no competition out there. In order to remain ahead and provide our country's investors and businesses with the greatest opportunity we must ensure that the regulation of our markets does not trap us in obsolescence. It is essential that the Commission weigh the costs and benefits of regulations before their implementation to ensure that our markets are not weighed down by needless cost, or stifled by obstacles to growth and innovation. The Commission has worked to streamline regulation and reduce the burden on businesses seeking access to our capital markets. I commend the Commission for this work and look forward to continued progress.

The appropriation for fiscal year 1998 in H.R. 1262 is essentially flat from the current year. The increased funding authorization that the legislation would provide the Commission for fiscal year 1999 will permit the Commission to request additional funds from the appropriators to permit the Commission to meet the regulatory demands and obligations accompanying the remarkable growth in our markets.

I commend Subcommittee Chairman OXLEY for introducing this important legislation. I also commend my good friend and ranking member of the committee, JOHN DINGELL, ranking member of the Finance Subcommittee TOM MANTON, and ED MARKEY for their cosponsorship of this legislation. This legislation is important to every American investor, and every participant in the great capital markets of our nation. I urge all my colleagues to join me in supporting H.R. 1262.

Mr. OXLEY. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. MANTON. Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Ohio [Mr. OXLEY] that the House suspend the rules and pass the bill, H.R. 1262.

The question was taken.

Mr. DOGGETT. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 5 of rule I and the Chair's prior announcement, further proceedings on this motion will be postponed.

GENERAL LEAVE

Mr. OXLEY. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and include extraneous material in the RECORD on the bill (H.R. 1262).

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

There was no objection.

EXTENDING CERTAIN PROGRAMS UNDER THE ENERGY POLICY AND CONSERVATION ACT

Mr. CRAPO. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 2472) to extend certain programs under the Energy Policy and Conservation Act.

The Clerk read as follows:

H.R. 2472

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled.

SECTION 1. ENERGY POLICY AND CONSERVATION ACT AMENDMENTS.

The Energy Policy and Conservation Act is amended—

(1) in section 166 (42 U.S.C. 6246) by striking "1997" and inserting in lieu thereof "1998";

(2) in section 181 (42 U.S.C. 6251) by striking "1997" both places it appears and inserting in lieu thereof "1998"; and

(3) in section 281 (42 U.S.C. 6285) by striking "1997" both places it appears and inserting in lieu thereof "1998".

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Idaho [Mr. CRAPO] and the gentleman from Texas [Mr. HALL] each will control 20 minutes.

The Chair recognizes the gentleman from Idaho [Mr. CRAPO].

Mr. CRAPO. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of this bill which reauthorizes certain provisions contained in the Energy Policy and Conservation Act for 1 fiscal year. This is an important bill because it assures the President's authority to draw dawn the Strategic Petroleum Reserve in an energy emergency and preserves the ability of the U.S. oil companies to participate in the International Energy Agreement without violating antitrust laws.

I believe that a 1-year-only reauthorization of these provisions remains the appropriate course of action as long as the Committee on Appropriations continues to look at these oil reserves as a source of revenue. For the past 3 years, the members of the Committee on Commerce have opposed the sale of oil from the reserves to meet budgetary goals. However, in less than 3 years three sales have been authorized, and the fourth sale is currently being considered.

The Strategic Petroleum Reserve and the International Energy Agreement are critical elements of America's energy security plan. Therefore, it is important that they be reauthorized. However, until we stop using the reserve in a manner for which it is not intended, I believe we should subject these programs to an annual reauthorization.

□ 1345

Mr. Speaker, I urge my colleagues to support this bill, and I reserve the balance of my time.

Mr. HALL of Texas. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I of course am pleased to support H.R. 2472, which reauthorizes a key section of the Energy Policy and Conservation Act for 1 year.

This bill has been handled in a bipartisan manner and was reported from the Committee on Commerce on a voice vote. I know of no objection to it from this side of the aisle. I support the reauthorization of EPCA because it will ensure that the United States and industry are able to fulfill their respective duties in any or all oil-related emergencies. We are not unaware of those emergencies. Recent events in the Middle East have underscored once again how quickly circumstances can change, and the need for the United States to be self-sufficient during periods of instability.

I want to thank the gentleman from Virginia, Chairman BLILEY, and the gentleman from Colorado, Mr. DAN SCHAEFER, and the gentleman from Idaho, Mr. CRAPO, for bringing this very important bill to the House floor.

The Democrats on the Committee on Commerce strongly support the efforts to ensure that the Strategic Petroleum Reserve is used for the intended purposes, and not, as some have attempted, sold off for deficit reduction.

EPCA is very important to our country's economic and energy security, and I am pleased to support this legislation.

Mr. DAN SCHAEFER of Colorado. Mr. Speaker, the bill reauthorizes provisions of the Energy Policy and Conservation Act relating to the Strategic Petroleum Reserve and U.S. participation in the International Energy Agreement for one fiscal year. These provisions, which will expire September 30 absent this reauthorization, assure that, if there is an energy emergency, the President's authority to drawdown the Strategic Petroleum Reserve and the ability of U.S. oil companies to participate in the International Energy Agreement without violating antitrust laws is preserved for another year.

As I stated at the markup, because of their importance to U.S. national energy security I believe these programs should not go unauthorized. At the same time, I believe requiring them to be reauthorized annually is appropriate as long as oil from the Reserve continues to be sold for budgetary purposes. It is my hope that when D-O-E completes its review of S-P-R polices we can work with the administration and the appropriators to develop a coherent and consistent policy regarding the future of the Reserve.

Finally, there are several conservation related programs contained in EPCA and which were discussed at the subcommittee hearing that are not included in the bill we are considering today. I intend to work with interested parties to reauthorize these programs in the neat future.

Mr. HALL of Texas. Mr. Speaker, I yield back the balance of my time.

Mr. CRAPO. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore (Mr. UPTON). The question is on the motion offered by the gentleman from Idaho [Mr. CRAPO] that the House suspend the rules and pass the bill, H.R. 2472.

The question was taken.

Mr. CRAPO. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore (Mr. UPTON). Pursuant to clause 5 of rule I and the Chair's prior announcement, further proceedings on this motion will be postponed.

The point of no quorum is considered withdrawn.

GENERAL LEAVE

Mr. CRAPO. Mr. Speaker, I ask unanimous consent that all Members may

have 5 legislative days within which to revise and extend their remarks on H.R. 2472, the bill just considered.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Idaho?

There was no objection.

EXTENSION OF DEADLINE FOR CONSTRUCTION OF FERC PROJECT IN THE STATE OF IOWA

Mr. CRAPO. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 2165) to extend the deadline under the Federal Power Act applicable to the construction of FERC Project No. 3862 in the State of Iowa, and for other purposes.

The Clerk read as follows:

H.R. 2165

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. EXTENSION OF DEADLINE.

(a) PROJECT NUMBERED 3862.—Notwithstanding the time period specified in section 13 of the Federal Power Act (16 U.S.C. 806) that would otherwise apply to the Federal Energy Regulatory Commission project numbered 3862, the Commission is authorized, at the request of the licensee for the project, and after reasonable notice, in accordance with the good faith, due diligence, and public interest requirements of that section and the Commission's procedures under that section, to extend the time required for commencement of construction of the project for not more than 3 consecutive 2-year periods.

(b) EFFECTIVE DATE.—This section shall take effect on the date of the expiration of the extension of the period required for commencement of construction that the Commission issued, prior to the date of enactment of this Act, under section 13 of the Federal Power Act (16 U.S.C. 806) for the project described in subsection (a).

(c) REINSTATEMENT OF EXPIRED LICENSE.—If the license for the project referred to in subsection (a) has expired prior to the date of enactment of this Act, the Commission shall reinstate the license effective as of the date of its expiration and extend the time required for commencement of construction of the project as provided in subsection (a) for not more than 3 consecutive 2-year periods, the first of which shall commence on the date of such expiration.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Idaho [Mr. CRAPO] and the gentleman from Texas [Mr. HALL] each will control 20 minutes.

The Chair recognizes the gentleman from Idaho [Mr. CRAPO].

Mr. CRAPO. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, under section 13 of the Federal Power Act, project construction must begin within 4 years of issuance of a license. If construction has not begun by that time, the Federal Energy Regulatory Commission cannot extend the deadline and must terminate the license. H.R. 2165 provides for extension of the construction deadline of the LeClaire project, a 27-megawatt hydroelectric project in Iowa, if the sponsor pursues the commencement of construction in good faith and with due diligence.

These types of bills have not been controversial in the past, and this bill does not change the license requirements in any way, and does not change environmental standards. It merely extends the construction deadline. There is a need to act, since the construction deadline for the project expires in February 1998. If Congress does not act, FERC will terminate the license, the project sponsors will lose their investment in the project, and the community will lose the prospect of significant job creation and added revenues.

H.R. 2165 would extend the deadline for up to 6 years and reinstate the license if it expires before the enactment of the bill. Lack of a power purchase agreement is the main reason construction of projects may not commence in a timely manner. It is very difficult for a hydroelectric project sponsor to secure financing until they have a license, and once they have been granted a license the construction deadline begins to run. However, the onset of intense competition in the electric industry is driving utilities to lower their costs and avoid making long-term commitments.

Without a power purchase agreement a project generally cannot be financed. According to sponsors of the LeClaire project, construction has not commenced because of the lack of a power purchase agreement needed to obtain the financing. I should also note that the bill incorporates the views of the Federal Energy Regulatory Commission. The Subcommittee on Energy and Power solicited the views of FERC, and the agency does not oppose H.R. 2165.

I urge my colleagues to support H.R. 2165, and I reserve the balance of my time, Mr. Speaker.

Mr. HALL of Texas. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I am pleased to support H.R. 2165, which extends the license for a very important hydroelectric project. I commend the gentleman from Iowa [Mr. LEACH] for bringing the bill to the committee. This continues a bipartisan tradition of the Committee on Commerce under which noncontroversial pending hydro projects can receive an extension of time to permit their completion.

I think these projects are important to Members on both sides of the aisle, and I commend the gentleman from Virginia, Chairman BLILEY, and the gentleman from Colorado, Mr. DAN SCHAEFER, and the gentleman from Idaho, Mr. CRAPO, for their leadership in moving these bills forward in a prompt and fair manner.

Mr. Speaker, I reserve the balance of my time.

Mr. CRAPO. Mr. Speaker, I yield such time as he may consume to the gentleman from Iowa [Mr. LEACH].

Mr. LEACH. Mr. Speaker, I would like to thank Mr. CRAPO for managing the bill today and Chairman DAN SCHAEFER and Ranking Member RALPH HALL of the Subcommittee on Energy and Power, as well as Chairman TOM BLILEY and Ranking Member JOHN DINGELL of the Committee on Commerce for bringing this legislation to the floor so expeditiously. I would also like to express my appreciation to the staff of the Commerce Committee, and particularly Joe Kelliher, for their work on the bill.

H.R. 2165 authorizes the Federal Energy Regulatory Commission [FERC] to extend the time required for commencement of construction of a hydroelectric project in my district for a maximum of three consecutive 2-year periods.

The project this legislation affects, FERC Project No. 3862, calls for the construction of a 27-megawatt hydropower facility on lock and dam 19 located on the Mississippi River adjacent to LeClaire, IA. Plans for deregulation of the power industry have temporarily halted the willingness of utilities to enter into long-term power purchase agreements. As a result, project coordinators do not anticipate being able to finalize power sales negotiations in time to meet the present February 28, 1998, deadline for beginning construction on the project.

My understanding is that granting FERC the authority to extend the deadline for such projects has become a routine matter, and that FERC has indicated that it has no objection to the extension called for by H.R. 2165.

Granting the extension authorized by this legislation would help ensure a responsible review of the project's economic viability. It would also enable the environmental impact of the project to remain under review in order to help ensure that the project's impact on the ecology of the Mississippi River is benign.

Again, I would like to thank the members of the Commerce Committee and its staff for their support of H.R. 2165 and urge its support by my colleagues in the House.

Mr. HALL of Texas. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. CRAPO. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Idaho [Mr. CRAPO] that the House suspend the rules and pass the bill, H.R. 2165.

The question was taken.

Mr. CONDIT. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Pursuant to clause 5, rule I, and the Chair's prior announcement, further proceedings on this motion will be postponed.

The point of no quorum is considered withdrawn.

GENERAL LEAVE

Mr. CRAPO. Mr. Speaker, I ask unanimous consent that all Members may

have 5 legislative days within which to revise and extend their remarks on H.R. 2165, the bill just considered.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Idaho?

There was no objection.

COASTAL POLLUTION REDUCTION ACT OF 1997

Mr. BOEHLERT. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 2207) to amend the Federal Water Pollution Control Act concerning a proposal to construct a deep ocean outfall off the coast of Mayaguez, Puerto Rico, as amended.

The Clerk read as follows:

H.R. 2207

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Coastal Pollution Reduction Act of 1997".

SEC. 2. MAYAGUEZ, PUERTO RICO.

(a) FINDINGS.—Congress makes the following findings:

(1) The existing discharge from the Mayaguez publicly owned treatment works is to the stressed waters of Mayaguez Bay, an area containing severely degraded coral reefs, and relocation of that discharge to unstressed ocean waters could benefit the marine environment.

(2) The Federal Water Pollution Control Act should, consistent with the environmental goals of the Act, be administered with sufficient flexibility to take into consideration the unique characteristics of Mayaguez, Puerto Rico.

(3) Some deep ocean areas off the coastline of Mayaguez, Puerto Rico, might be able to receive a less-than-secondary sewage discharge while still maintaining healthy and diverse marine life.

(4) A properly designed and operated deep ocean outfall off the coast of Mayaguez, Puerto Rico, coupled with other pollution reduction activities in the Mayaguez Watershed could facilitate compliance with the requirements and purposes of the Federal Water Pollution Control Act without the need for more costly treatment.

(5) The owner or operator of the Mayaguez publicly owned treatment works should be afforded an opportunity to make the necessary scientific studies and submit an application proposing use of a deep ocean outfall for review by the Administrator of the Environmental Protection Agency under section 301(h) of the Federal Water Pollution Control Act.

(b) APPLICATION FOR SECONDARY TREATMENT WAIVER FOR MAYAGUEZ, PUERTO RICO, DEEP OCEAN OUTFALL.—Section 301 of the Federal Water Pollution Control Act (33 U.S.C. 1311) is amended by adding at the end the following:

"(q) APPLICATION FOR WAIVER.—

"(1) STUDY.—In order to be eligible to apply for a waiver under this section, the owner or operator of the Mayaguez, Puerto Rico, publicly owned treatment works shall transmit to the Administrator a report on the results of a study of the marine environment of coastal areas in the Mayaguez area to determine the feasibility of constructing a deep ocean outfall for the Mayaguez treatment works. In conducting the study, the owner or operator shall consider variations in the currents, tidal movement, and other hydrological and geological characteristics at any proposed outfall location. Such study may recommend one or more technically feasible and environmentally acceptable locations for a deep ocean outfall intended to meet the requirements of subsection (h). Such study may be initiated, expanded, or continued not later than 3 months after the date of the enactment of this subsection.

"(2) SECTION 301(h) APPLICATION FOR MAYAGUEZ, PUERTO RICO.—Notwithstanding subsection (j)(1)(A), not later than 18 months after the date of the enactment of this subsection, an application may be submitted for a modification pursuant to subsection (h) of the requirements of subsection (b)(1)(B) by the owner or operator of the Mayaguez, Puerto Rico, publicly owned treatment works at a location recommended in a study conducted pursuant to paragraph (1). Such application shall not be subject to the application revision procedures of section 125.59(d) of title 40, Code of Federal Regulations. No such application may be filed unless and until the applicant has entered into a binding consent decree with the United States that includes, at a minimum, the following:

"(A) A schedule and milestones to ensure expeditious compliance with the requirements of subsection (b)(1)(B) in the event the requested modification is denied, including interim effluent limits and design activities to be undertaken while the application is pending.

"(B) A schedule and interim milestones to ensure expeditious compliance with the requirements of any modification of subsection (b)(1)(B) in the event the requested modification is approved.

"(C) A commitment by the applicant to contribute not less than $400,000 to the Mayaguez Watershed Initiative in accordance with such schedules as may be specified in the consent decree.

"(3) INITIAL DETERMINATION.—On or before the 270th day after the date of submittal of an application under paragraph (2) that has been deemed complete by the Administrator, the Administrator shall issue to the applicant a tentative determination regarding the requested modification.

"(4) FINAL DETERMINATION.—On or before the 270th day after the date of issuance of the tentative determination under paragraph (3), the Administrator shall issue a final determination regarding the modification.

"(5) ADDITIONAL CONDITION.—The Administrator may not grant a modification pursuant to an application submitted under this subsection unless the Administrator determines that the new deep water ocean outfall will use a well-designed and operated diffuser that discharges into unstressed ocean waters and is situated so as to avoid discharge (or transport of discharged pollutants) to coral reefs, other sensitive marine resources or recreational areas, and shorelines.

"(6) EFFECTIVENESS.—If a modification is granted pursuant to an application submitted under this subsection, such modification shall be effective only if the new deep-water ocean outfall is operational on or before the date that is 4½ years after the date of the Administrator's initial tentative determination on the application.".

SEC. 3. NATIONAL ESTUARY PROGRAM.

(a) GRANTS FOR COMPREHENSIVE CONSERVATION AND MANAGEMENT PLANS.—Section 320(g)(2) of the Federal Water Pollution Control Act (33 U.S.C. 1330(g)(2)) is amended by inserting "and implementation" after "development".

(b) AUTHORIZATION OF APPROPRIATIONS.—Section 320(i) of such Act (33 U.S.C. 1330(i)) is amended by striking "1987" and all that follows through "1991" and inserting the following: "1987 through 1991, such sums as may be necessary for fiscal years 1992 through 1997, and $20,000,000 for fiscal year 1998".

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from New York [Mr. BOEHLERT] and the gentleman from Pennsylvania [Mr. BORSKI] each will control 20 minutes.

The Chair recognizes the gentleman from New York [Mr. BOEHLERT].

Mr. BOEHLERT. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the bill would amend the Clean Water Act to allow a community in Puerto Rico to apply to EPA for an alternative to secondary treatment requirements. Any alternative approved by EPA would be, and this is important, would be subject to requirements and conditions necessary to assure the adequate protection of coastal resources. Mr. Speaker, this bill could help save the community up to $65 million by avoiding the construction of more costly facilities while including appropriate environmental safeguards.

Another provision in the bill, added in committee, modifies the Clean Water Act's national estuary program. The bill allows the use of Federal funds for implementation, as opposed to just development, of comprehensive conservation and management plans. This is a widely supported approach to protecting America's estuaries.

Allowing Federal funds to be used for implementing the national estuary program is an initiative strongly supported by State, local, and regional interests, including the environmental community. Many States have completed their comprehensive conservation and management plans required under the national estuary program, and it is time to help put their plans to work.

Committee on Transportation and Infrastructure members should be congratulated for their efforts in developing the Coastal Pollution Reduction Act. I would particularly like to recognize the efforts of the gentleman from Pennsylvania [Mr. SHUSTER], the chairman, the gentleman from Minnesota [Mr. OBERSTAR], the ranking Democrat of the committee, and my colleague and good friend, the gentleman from Pennsylvania [Mr. BORSKI], the ranking Democrat of the Subcommittee on Water Resources and Environment.

In addition, I would be remiss if I did not thank the gentleman from Puerto Rico [Mr. ROMERO-BARCELÓ] the primary sponsor of the bill. His efforts to address this matter and promote greater flexibility in the Clean Water Act have been thoughtful and persistent.

I would also like to thank the gentleman from Alaska, Mr. DON YOUNG, our colleague, the chairman of the Committee on Resources, for his role in

supporting the bill and helping to clarify that the intent of the national estuaries program amendment is not to provide any new or expanded authority to regulate land use.

Finally, I want to thank representatives of the Environmental Protection Agency and the environmental community, particularly in Puerto Rico, for their input. The final text of the bill and the detailed committee report largely reflect their comments and concerns.

Throughout the development of this bill, our intent has been to fashion a responsible approach to meet a site-specific need for flexibility under the Clean Water Act and to strengthen the national estuaries program. I think we have succeeded.

I urge my colleagues to support H.R. 2207, and I reserve the balance of my time, Mr. Speaker.

Mr. BORSKI. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise today in support of H.R. 2207, the Coastal Pollution Reduction Act of 1997. This bill, which would amend the Clean Water Act, provides an opportunity for Mayàguez, Puerto Rico, to apply for a waiver of secondary treatment requirements in an effort to protect its coral reef. While I urge my colleagues to support this bill for the environmental protection it should provide, as the ranking Democrat of the Subcommittee on Water Resources and Environment, I feel compelled to raise some of my concerns about this type of legislation.

The protection of ocean water quality has long been a responsibility and priority of our subcommittee through its jurisdiction over the Clean Water Act, the Ocean Dumping Act, and the Oil Pollution Act. For far too long our oceans were viewed as a convenient dumping ground for the wastes associated with human development.

As we have learned, those earlier practices were a mistake which we find ourselves continuing to correct to this day. With the Ocean Dumping Ban Act, the dumping of sewage sludge came to an end. Yet, our inadequate control of pollution associated with point and nonpoint sources, now largely controlled through the Clean Water Act, left us a legacy of contaminated sediments in our harbors, estuaries, and lakes.

Whether it is nonpoint source pollution, uncollected runoff from urban and rural areas, or collected runoff through storm sewers, we continue to allow sediments to enter our waterways and carry their pollution with them.

Too often when we discuss coastal and ocean issues we talk about treating the symptoms, but not the cause of the problems. Unless and until there are aggressive steps taken to address the pollution sources in our coastal areas, urban runoff, storm sewers, municipal sewage treatment plants, and agriculture, our coastal areas will continue to be under great stress.

Mr. Speaker, I must say, I feel strongly that, despite the necessity of this legislation I rise in support of today, our subcommittee's efforts are better directed toward advancing the cleanup of our Nation's waters. I am confident that the distinguished gentleman from New York [Mr. BOEHLERT], the subcommittee chairman, shares my view, and that we will do so in this Congress by addressing the major sources of pollution in coastal areas.

However, while I sincerely hope the next time we are on the floor discussing the Clean Water Act it is with the intent of strengthening it, rather than to create waiver opportunities, I believe that the unique conditions at Mayàguez make H.R. 2207 an acceptable tradeoff. If the opportunity to apply for a permit under the deep ocean outfalls provision is needed to protect coral reef in Mayàguez, then that competing environmental concern is significant enough to warrant such action today.

Mr. Speaker, I reserve the balance of my time.

Mr. BOEHLERT. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I wish to assure my colleague, the gentleman from Pennsylvania, that I share his enthusiasm for moving with dispatch on reauthorization of the Clean Water Act. It is very important not just to our committee or to this Congress but to the Nation, and that is something that will have my undivided attention at the appropriate time. It looks like the appropriate time will be early in the next session of the House.

Mr. BORSKI. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I want to compliment the hard work and dedication of our colleague, the gentleman from Puerto Rico [Mr. ROMERO-BARCELÓ]. He is working hard to improve the quality of the coastal environment and precious near shore reefs. This bill is the first step in protecting the coastal environment.

Mr. SHUSTER. Mr. Speaker, I rise in support of H.R. 2207, the Coastal Pollution Reduction Act of 1997.

This bipartisan legislation, introduced by Representative ROMERO-BARCELO, amends the Clean Water Act to allow a community in Puerto Rico to apply to EPA for an alternative to secondary treatment requirements, subject to other requirements and conditions.

This bill could help save Mayaguez, PR up to $65 million by avoiding the construction of more costly facilities while including appropriate environmental safeguards. The flexibility to pursue reasonable alternatives makes economic and environmental sense.

Another provision, added in committee, modifies the Clean Water Act's National Estuary Program. The amendment would allow the use of Federal funds for implementation, as opposed to just development of comprehensive conservation and management plans [CCMP's]. This is a widely supported approach to protecting America's estuaries.

I want to assure my colleagues that nothing in this amendment in any way provides new authority or expands existing authority for land use regulation. The existing NEP has been successful to date, in part, because it avoids a Federal regulatory approach. This amendment simply allows the use of Federal funds and technical assistance under section 320 of the Clean Water Act so that State, local and regional interests can take CCMP's to the next step: implementation. I appreciate the assistance and cooperation of my friend and colleague, Representative DON YOUNG, who is also chairman of the House Resources Committee, for bringing to my attention the need to clarify this point.

I also want to commend the gentleman from Minnesota [Mr. OBERSTAR], the ranking Democrat of the Transportation and Infrastructure Committee; the gentleman from New York [Mr. BOEHLERT], the chairman of the Water Resources and Environment Subcommittee; and the gentleman from Pennsylvania [Mr. BORSKI], the ranking Democrat of the Water Resources and Environment Subcommittee. They have been instrumental in moving this important legislation.

Finally, I would be remiss if I did not thank Representative ROMERO-BARCELO who is responsible for promoting this bill to address the needs of a particular community by increasing the flexibility of the Clean Water Act.

Mr. Speaker, I urge my colleagues to support H.R. 2207.

□ 1400

Mr. BOEHLERT. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. BORSKI. Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore (Mr. UPTON). The question is on the motion offered by the gentleman from New York [Mr. BOEHLERT] that the House suspend the rules and pass the bill, H.R. 2207, as amended.

The question was taken.

Mr. CONDIT. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Pursuant to clause 5 of rule I and the Chair's prior announcement, further proceedings on this motion will be postponed.

The point of no quorum is considered withdrawn.

GENERAL LEAVE

Mr. BOEHLERT. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and include extraneous material on H.R. 2207, the bill just considered.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

MARTIN V. B. BOSTETTER, JR. UNITED STATES COURTHOUSE

Mr. KIM. Mr. Speaker, I move to suspend the rules and pass the Senate bill (S. 819) to designate the United States courthouse at 200 South Washington Street in Alexandria, Virginia, as the "Martin V. B. Bostetter, Jr. United States Courthouse."

The Clerk read as follows:

S. 819

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. DESIGNATION OF MARTIN V. B. BOSTETTER, JR. UNITED STATES COURTHOUSE.

The United States courthouse at 200 South Washington Street in Alexandria, Virginia, shall be known and designated as the "Martin V. B. Bostetter, Jr. United States Courthouse".

SEC. 2. REFERENCES.

Any reference in a law, map, regulation, document, paper, or other record of the United States to the United States courthouse referred to in section 1 shall be deemed to be a reference to the "Martin V. B. Bostetter, Jr. United States Courthouse".

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from California [Mr. KIM] and the gentleman from Ohio [Mr. TRAFICANT] each will control 20 minutes.

The Chair recognizes the gentleman from California [Mr. KIM].

Mr. KIM. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, S. 819 designates the U.S. courthouse in Alexandria, VA, as the "Martin V.B. Bostetter, Jr. United States Courthouse."

Chief Judge Bostetter has served and continues to serve his country in many ways. Since 1952, Judge Bostetter's entire career has taken place within a radius of eight blocks in Old Town, Alexandria, VA. He served as the special assistant to the city attorney and associate judge of the municipal court.

In 1960, Judge Bostetter was appointed to the U.S. Bankruptcy Court and continues to serve as a judge for the U.S. Bankruptcy Court for the Eastern District of Virginia. He was appointed chief judge in February 1, 1985, and ranks among the longest sitting full-time bankruptcy judges in the United States.

This is a fitting tribute to such a distinguished jurist. I support this act and urge my colleagues to join in this support.

Mr. Speaker, I reserve the balance of my time.

Mr. TRAFICANT. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I want to join the gentleman from California [Mr. KIM] in supporting S. 819, a bill to designate the courthouse on South Washington Street in Alexandria, VA, in honor of Judge Martin Bostetter, Jr. He certainly deserves it.

I would also like to state that the gentleman from Virginia [Mr. MORAN], one of my Democratic colleagues, has also introduced companion legislation, H.R. 1851, also a bill naming this courthouse in honor of Judge Martin Bostetter, Jr. I will include his written statement immediately after my remarks.

Judge Bostetter served the people of Virginia for over 40 years. He ranks among the longest sitting full-time bankruptcy judges in these United States. He has long been associated with and active in many civic and community organizations, including the Chamber of Commerce in Alexandria, the Alexandria Hospital, and the Alexandria Boys Club, to show the diversity of his involvement and his caring of the people whom he has served for so many years.

I am proud to join the gentleman from Virginia, [Mr. MORAN], Senator WARNER, and the gentleman from California, [Mr. KIM] in this legislation. I want to commend the gentleman from California [Mr. KIM] for the fine, expeditious job to bring this and other legislation forward.

Mr. MORAN of Virginia. Mr. Speaker, it is with great pleasure that I rise today in support of S. 819. This legislation is identical to the bill I introduced June 10, 1997, naming the United States Court House on South Washington Street in Alexandria, Virginia the Chief Bankruptcy Judge Martin V. B. Bostetter, Jr. Court House. The Bostetter Court House will be a lasting reminder of the distinguished career of Judge Bostetter and commemorates his numerous contributions to bankruptcy law in Northern Virginia.

Judge Bostetter's distinguished legal career began in 1952 and took place entirely within an eight block radius of Old Town, Alexandria. He served as Special Assistant to the City Attorney of Alexandria in 1953 in the capacity of City Prosecutor. In 1957, he became an Associate Judge of Alexandria's Municipal court system. Judge Bostetter was then appointed to the United States Bankruptcy Court in 1959 and presently serves as a United States Bankruptcy Judge for the Eastern District of Virginia. In 1985, he was appointed Chief Judge and now ranks among the longest sitting full-time bankruptcy judges in the United States.

In 1959, Judge Bostetter established the First Bankruptcy Court in Alexandria, in the former Federal District Courthouse—38 years later he resides in the same building as the Chief Judge of the Bankruptcy Court for the Eastern District of Virginia. He has taken a special interest and great pride in the ongoing renovation of this historic building.

During his service on the bench, Chief Judge Bostetter has seen the Bankruptcy Court for the Eastern District of Virginia grow to three divisions with five full-time judges and staff, 90 employees in its Clerk's Office and an average of more than 2,600 bankruptcy filings per month. The Alexandria Division has two full-time judges, 22 employees and averages approximately 790 bankruptcy filings per month.

When Judge Bostetter began his career on the bench with approximately nine bankruptcy filings per month and one employee. He remained the only full time bankruptcy judge in Alexandria from July 1959 until December 1994. During the 1980's and early 1990's his case load swelled to about two times the volume expected for a single judge to preside over.

Chief Judge Bostetter has been a dedicated and loyal public servant, serving the people of Virginia faithfully with honor, integrity and distinction during his tenure as a bankruptcy judge. He has fulfilled his duties with a strong sense of fairness and pragmatism, while adhering to the constraints imposed by the Bankruptcy Code and related case law. Moreover, he has set very high standards for the lawyers who practice before him, thereby making those lawyers better prepared and more effective advocates for their respective client's interest.

Mr. Speaker, I want to take this opportunity to thank Transportation and Infrastructure Committee Chairman SHUSTER, Subcommittee Chairman JAY KIM and ranking members JIM OBERSTAR and JIM TRAFICANT, along with the committee and subcommittee staff for their efforts to bring this legislation to the floor. I truly appreciate their cooperation.

Mr. TRAFICANT. Mr. Speaker, I yield back the balance of my time.

Mr. KIM. Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore (Mr. MILLER of Florida). The question is on the motion offered by the gentleman from California [Mr. KIM] that the House suspend the rules and pass the Senate bill, S. 819.

The question was taken.

Mr. KIM. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Pursuant to clause 5 of rule I and the Chair's prior announcement, further proceedings on this motion will be postponed.

The point of no quorum is considered withdrawn.

GENERAL LEAVE

Mr. KIM. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on S. 819, the Senate bill just considered.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

HOWARD M. METZENBAUM UNITED STATES COURTHOUSE

Mr. KIM. Mr. Speaker, I move to suspend the rules and pass the Senate bill (S. 833) to designate the Federal building courthouse at Public Square and Superior Avenue in Cleveland, Ohio, as the "Howard M. Metzenbaum United States Courthouse."

The Clerk read as follows:

S. 833

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. DESIGNATION OF HOWARD M. METZENBAUM UNITED STATES COURTHOUSE.

The Federal building courthouse at Public Square and Superior Avenue in Cleveland, Ohio, shall be known and designated as the "Howard M. Metzenbaum United States Courthouse".

SEC. 2. REFERENCES.

Any reference in a law, map, regulation, document, paper, or other record of the United States to the Federal building courthouse referred to in section 1 shall be deemed to be a reference to the "Howard M. Metzenbaum United States Courthouse".

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from California [Mr. KIM] and the gentleman from Ohio [Mr. TRAFICANT], each will control 20 minutes.

The Chair recognizes the gentleman from California [Mr. KIM].

Mr. KIM. Mr. Speaker, I yield myself such time as I may consume.

S. 833 designates the U.S. courthouse located at Public Square in Cleveland, OH, as the Howard Metzenbaum United States Courthouse.

Senator Metzenbaum was born in Cleveland, OH, in 1917. He began his political career in 1942 by his successful bid to the Ohio House of Representatives, becoming the youngest person elected to the State legislature at that time.

In 1950, Senator Metzenbaum retired from public office to return to his private practice and business interests, most notably his parking lot network. After several years pursuing his business interests, Senator Metzenbaum returned to political office in 1973 by an appointment to the U.S. Senate to fill the unexpired term of William Saxbe, who had been appointed Attorney General. After the general election in 1974, he was elected to a full term in 1976.

Senator Metzenbaum served on the Energy and Natural Resources, the Judiciary Committee, and the Select Committee on Indian Affairs, and later on the Labor and Human Resources Committee and the Committee on the Budget. He was a tireless advocate on causes for the American worker and was active in numerous judicial nominations. He retired at the end of the 103d Congress.

This is a fitting tribute to a dedicated public servant. I urge my colleagues to support this act.

Mr. Speaker, I reserve the balance of my time.

Mr. TRAFICANT. Mr. Speaker, I yield myself such time as I may consume.

I, too, want to join the two Senators from Ohio, Senators GLENN and DEWINE, as well as Senator LAUTENBERG, in supporting this bill to name the Federal courthouse in Cleveland in honor of former Senator Howard Metzenbaum.

My involvement is a little different. I worked many times to help elect Howard Metzenbaum to the U.S. Senate, and I am very proud to have announced that here and to have worked with him and to help him carry our State of Ohio.

His service to the U.S. Senate has now spanned 18 years. It was marked by devotion to diligence, dedication, fairness, and equality for all Americans. Senator Metzenbaum was an absolute zealot on behalf of the rights of the American people. Right now he is probably so upset over the revelation of the Internal Revenue Service, I know full well he is urging the Congress to pass my bill, H.R. 367, to change the burden of proof in a civil tax case and to stop these crazy seizures without judicial control. Senator Metzenbaum would be banging away, as I am, on that issue.

As Members know, he was very concerned about the flippant use of guns in our society, and he led the charge in trying to, in fact, place greater penalties on those who violate the law using a handgun. For that, he has brought to the consciousness of the American people that great issue and is largely responsible for a moderating approach to that whole phenomenon. He has championed this Nation's underprivileged, and he has championed the cause of so many poor and defenseless people in our society. It is absolutely fitting that we name this courthouse in his name and honor.

I am proud to join forces with the gentleman from California [Mr. KIM] and thank him once again for his fair effort in bringing forward some of these naming bills that reflect both sides of the aisle. Senator Metzenbaum has earned it. He deserves it. It will be a pleasure to walk into that courthouse bearing the name of Senator Howard Metzenbaum.

Mr. Speaker, I yield back the balance of my time.

Mr. KIM. Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from California [Mr. KIM] that the House suspend the rules and pass the Senate bill, S. 833.

The question was taken.

Mr. CRAPO. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Pursuant to clause 5 of rule I and the Chair's prior announcement, further proceedings on this motion will be postponed.

The point of no quorum is considered withdrawn.

GENERAL LEAVE

Mr. KIM. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and include extraneous material on S. 833, the Senate bill just considered.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

TED WEISS UNITED STATES COURTHOUSE

Mr. KIM. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 548) to designate the United States courthouse located at 500 Pearl Street in New York City, New York, as the "Ted Weiss United States Courthouse."

The Clerk read as follows:

H.R. 548

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. DESIGNATION.

The Federal building located at 500 Pearl Street in New York City, New York, shall be known and designated as the "Ted Weiss United States Courthouse".

SEC. 2. REFERENCES.

Any reference in a law, map, regulation, document, paper, or other record of the United States to the United States courthouse referred to in section 1 shall be deemed to be a reference to the "Ted Weiss United States Courthouse".

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from California [Mr. KIM] and the gentleman from Ohio [Mr. TRAFICANT], each will control 20 minutes.

The Chair recognizes the gentleman from California [Mr. KIM].

Mr. KIM. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, H.R. 548 designates the new U.S. courthouse in New York City as the Ted Weiss U.S. Courthouse.

Ted Weiss was born in Gava, Hungary, in September 1927. He and his family fled eastern Europe to escape Nazi persecution on the last passenger ship to leave Hamburg, Germany, arriving in the United States in 1938. In 1961, he was elected to the New York City Council, where he was influential in writing the city's gun control laws and environmental measures. After 15 years of service as a councilman, he was elected to the U.S. House of Representatives in 1976, where he served until his untimely death in September 1992.

Congressman Weiss is remembered as a thoughtful advocate true to his causes. The naming of this courthouse is a fitting tribute to a respected colleague. I urge my colleagues to support this bill.

Mr. Speaker, I reserve the balance of my time.

Mr. TRAFICANT. Mr. Speaker, I yield myself such time as I may consume.

I am honored to join with the gentleman from New York [Mr. NADLER], sponsor of this legislation, in supporting this bill to designate the new

courthouse on Pearl Street in lower Manhattan as the Ted Weiss U.S. Courthouse.

Ted was a friend of mine, a colleague. He was fair. He is well known for his work in advocating for the funding of AIDS research, well known for his efforts in promoting the human rights movement, and well known for his efforts in establishing dignity and equality for Vietnam veterans who came back and were scorned after having put their lives on the line. These were just a few of the causes for which our good friend, Ted Weiss, was a tireless advocate and worker.

As a young refugee from the Holocaust, Ted Weiss became a staunch supporter of civil liberties in this country second to none. His legislative record was built around his service on the Government Operations Committee, where he chaired the Subcommittee on Human Resources and Intergovernmental Relations, and everyone knows of his fairness and his willingness to include all thoughts and ideas. It is absolutely fitting and proper that we honor Ted Weiss by this designation.

I want to commend my colleague, the gentleman from New York [Mr. NADLER], for his tireless efforts to ensure that the Congress of the United States will not overlook the great contribution of Ted Weiss.

Mr. NADLER. Mr. Speaker, as the sponsor of this bill, I would like to thank Chairman KIM and Ranking Member TRAFICANT as well as Chairman SHUSTER and Ranking Member OBERSTAR for their support of this legislation.

As one of Ted Weiss's friends, I knew the compassionate, dedicated, hard working and loving man that many people never get to see in their elected officials. The unique personality that made Ted Weiss was crafted by a life that began in eastern Hungary on September 17, 1927. He later would arrive in the United States on March 12, 1938, on the last passenger ship out of Hamburg, Germany, before the end of World War II.

Ted went on to earn his undergraduate and law degree in 4½ years from Syracuse University. He then worked as an assistant district attorney in Manhattan for 4 years. At that time, Ted was elected to the New York City Council and so began a lifetime of public service that was marked by compassion and principle.

As one of Ted Weiss's constituents for the 16 years he served in Congress, I knew first hand how tirelessly he worked to bring issues important to the people whom he served to the forefront. Ted Weiss was one of the first elected officials in the Nation to focus attention on the need to increase funding for AIDS research, before the epidemic dominated discussions worldwide. He was a strong supporter of human rights throughout the world and right here at home. He received the Vietnam Veterans of America's highest award 2 years in a row for his work on behalf of America's veterans. Ted was not afraid to stand up for his convictions and make sure we understood why he held them so dear to his heart.

We will be honoring Ted by naming this court house after him. I believe this suits the man who fought so hard to create a more just world. Being the sponsor of this legislation I hope to, in some small way, say thank you to my friend and colleague for bringing prestige and honor to the congressional seat that was known as the 17th District, now the Eighth District, in New York City.

Mr. TRAFICANT. Mr. Speaker, I yield back the balance of my time.

Mr. KIM. Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by gentleman from California [Mr. KIM] that the House suspend the rules and pass the bill, H.R. 548.

The question was taken.

Mr. CRAPO. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Pursuant to clause 5 of rule I and the Chair's prior announcement, further proceedings on this motion will be postponed.

The point of no quorum is considered withdrawn.

GENERAL LEAVE

Mr. KIM. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and include extraneous material on H.R. 548, the bill just considered.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

□ 1415

AVIATION INSURANCE REAUTHORIZATION ACT OF 1997

Mr. KIM. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 2036) to amend chapter 443 of title 49, United States Code, to extend the authorization of the aviation insurance program, and for other purposes, as amended.

The Clerk read as follows:

H.R. 2036

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Aviation Insurance Reauthorization Act of 1997".

SEC. 2. VALUATION OF AIRCRAFT.

Sections 44302(a)(2) and 44306(c) of title 49, United States Code, are each amended by striking "as determined by the Secretary" and inserting "as determined by the Secretary in accordance with reasonable business practices in the commercial aviation insurance industry".

SEC. 3. EFFECT OF INDEMNITY AGREEMENTS.

Section 44305(b) of title 49, United States Code, is amended by adding at the end of the following: "If such an agreement is countersigned by the President, the agreement shall constitute, for purposes of section 44302(b), a determination that continuation of the aircraft operations to which the agreement applies is necessary to carry out the foreign policy of the United States.".

SEC. 4. ARBITRATION AUTHORITY.

(a) AUTHORIZATION OF BINDING ARBITRATION.—Section 44308(b)(1) of title 49, United States Code, is amended by inserting after the second sentence the following: "Any such policy may authorize the binding arbitration of claims made thereunder in such manner as may be agreed to by the Secretary and any commercial insurer that may be responsible for any part of a loss to which such policy relates.".

(b) AUTHORITY TO PAY ARBITRATION AWARD.—Section 44308(b)(2) of such title is amended—

(1) by striking "and" at the end of subparagraph (A);

(2) by redesignating subparagraph (B) as subparagraph (C); and

(3) by inserting after subparagraph (A) the following:

"(B) pay the amount of a binding arbitration award made under paragraph (1); and".

SEC. 5. EXTENSION OF PROGRAM.

Section 44310 of title 49, United States Code, is amended by striking "September 30, 1997" and inserting "December 31, 1998".

SEC. 6. PUBLIC AIRCRAFT DEFINED.

Section 40102(a)(37)(A) of title 49, United States Code, is amended—

(1) by striking "or" at the end of clause (i);

(2) by redesignating clause (ii) as clause (iii); and

(3) by inserting after clause (i) the following:

"(ii) owned by the Armed Forces of the United States and operated by any person for purposes related to crew training, equipment development, or demonstration; or".

The SPEAKER pro tempore (Mr. UPTON). Pursuant to the rule, the gentleman from California [Mr. KIM] and the gentleman from Minnesota [Mr. OBERSTAR] each will control 20 minutes.

The Chair recognizes the gentleman from California [Mr. KIM].

Mr. KIM. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, this bill reauthorizes the War Risk Insurance Program for another year. The War Risk Insurance Program was first reauthorized in 1951 and has been reauthorized periodically since then. Its current authorization expires tomorrow. This program was used extensively during operations in Desert Shield and Desert Storm to insure aircraft ferrying troops and supplies to the Middle East. Without this program, the military would have had to buy more aircraft for this purpose, which would have cost taxpayers billions of dollars. Instead, commercial aircraft, with the protection of war risk insurance, were willing to take on these dangerous missions.

The bill being considered today reauthorizes this program and makes several relatively minor changes that were suggested by the administration, the GAO, and the airlines, at the Subcommittee on Aviation hearing last May. The bill differs slightly from the

bill that was approved by the Committee on Transportation and Infrastructure last July. The main difference is that the provision on borrowing authority was dropped and the reauthorization period was shortened.

The borrowing authority provision was designed to ensure that insurance claims could be paid in a timely manner without having to wait for an appropriation. Unfortunately, the administration opposed this. They did agree, however, to develop an alternative. This bill gives them 1 year to develop that alternative.

Also, this bill includes a small change to the definition of "public aircraft." That change will allow military aircraft manufacturers to lease back their planes from the military for air shows or other demonstration purposes. This is a good bill, and I urge my colleagues to support this.

Mr. Speaker, I reserve the balance of my time.

Mr. OBERSTAR. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I, of course, support H.R. 2036, the War Risk Insurance Reauthorization Act of 1997. This is one of several times we have come to the floor to reauthorize this legislation, and this particular reauthorization extends the program until December 31, 1998.

This is very important legislation. It may not seem large in the great scheme of things that we do in the House or even on our Committee on Transportation, but this particular legislation is vitally important to our national security effort. This bill includes provisions to ensure that the program will run more smoothly the next time we have to call upon the airlines to engage in national security support initiatives.

The War Risk Insurance Program was most recently put into operation during Desert Shield and Desert Storm. U.S. air carriers flew thousands of U.S. troops and tons of equipment from the United States and from Europe into the Middle East theater of operations. During that period of time, the FAA issued nonpremium war risk insurance for some 5,000 commercial flights that operated air lift services as part of the Civil Reserve Air Fleet.

In fact, in an assessment after Desert Storm, President Bush complimented the Civil Reserve Air Fleet, the domestic airline carriers and both the scheduled carriers and the charter operators and our cargo fleet on the superb job they did, saying that without those 5,000 fleets, we could not have met the challenge with the readiness that the U.S. forces demonstrated at the outset of both Desert Shield and Desert Storm.

Not only is insurance vital to airline operations, it is essential in operations such as this type in high-risk combat zones. The FAA and the DOT requires insurance for airline operations under any circumstance. But in these circumstances, there is a higher risk and a higher need. And that is why this is a matter of national policy to provide war risk insurance.

The very simple fact is that such operations are carrying out foreign policy objectives of the United States in a highly contested arena. The program is divided into two parts, both premium and nonpremium insurance. Under the premium policy, insurance is provided to U.S. or foreign carriers for commercial scheduled and charter service. It can be used only for international flights. It is a very important distinction. Premium insurance was provided during the Vietnam war and on 37 occasions after Iraq invaded Kuwait.

Nonpremium insurance is used to ensure that airlines operating under contract to the U.S. Government, either State or Defense Department, and it can cover domestic or international flights. In the course of the Subcommittee on Aviation hearings conducted by the gentleman from Tennessee [Mr. DUNCAN], our very distinguished chairman, GAO raised two issues that should be addressed legislatively.

First, air carriers that are purchasing premium insurance, in GAO's opinion, needed to have a better guarantee that if they suffered a claim in excess of the amount in the revolving fund, they would be assured of complete and immediate reimbursement.

Second, there was a need to clarify whether flights conducted on behalf of Defense and State covered by nonpremium insurance had to be determined by the President to be in the best foreign policy interests of the United States. Both of those concerns are addressed in this legislation.

Since then, the administration has expressed again its concerns about a provision in the bill that provided borrowing authority to the FAA in the event a claim would be made in excess of the amount in the revolving fund. The administration wanted time to work out an agreement between the FAA and DOT to meet the concerns expressed by GAO. We have agreed to drop that provision but have shortened the length of time for this authorization from 5 years to 15 months.

Normally, we would have a much longer authorization period. I felt that this shorter timeframe needed to be explained, because it is not the committee's intention to proceed without some understanding on this very important matter of extending the borrowing authority for those cases in which claims are made in excess of the revolving fund.

I know that is the concern of the gentleman from Tennessee [Mr. DUNCAN]. I know that is a concern of the gentleman from Illinois [Mr. LIPINSKI], our ranking member on the Subcommittee on Aviation, and I know that the gentleman from Pennsylvania [Mr. SHUSTER] shares that concern.

We do want to ensure that there will be continuity for this program. We want to ensure that it will not be subject to stop and start by fits. We prefer a much longer period of authorization. But until this issue is revolved, I do not think it is responsible for the Congress to proceed until this matter is resolved.

I take this opportunity to urge the DOT, as the lead agency here, and State and Defense and all the other entities in the administration that have a say in this issue, to get together, resolve the issue so that we can provide the longer term authorization that is our customary practice in the war risk insurance issue.

I want to congratulate the gentleman from Tennessee [Mr. DUNCAN], our subcommittee chair, and the gentleman from Illinois [Mr. LIPINSKI], our ranking minority member, for the splendid work they have done, and our staff on both sides of the aisle for paying such careful and detailed attention to this very important issue that might otherwise not be so fully appreciated.

Mr. Speaker, I yield such time as she may consume to the gentlewoman from Florida [Ms. BROWN].

Ms. BROWN of Florida. Mr. Speaker, I rise in support of H.R. 2036, the Aviation Insurance Reauthorization Act of 1997.

First of all, I wish to congratulate the gentleman from Tennessee [Mr. DUNCAN], subcommittee chairperson; and the gentleman from Illinois [Mr. LIPINSKI], the ranking member; as well as the gentleman from Pennsylvania [Mr. SHUSTER], the chairman; and the gentleman from Minnesota [Mr. OBERSTAR], the ranking member, for their work on this legislation. It is a good bill and deserves the support of all.

Mr. Speaker, H.R. 2036 reauthorizes the important War Risk Insurance Program until December 31, 1998. It also contains provisions intended to ensure that the program runs more smoothly the next time it is utilized. It is important that carrier concerns are addressed to the greatest extent possible in order to encourage continued carrier participation in the Civil Reserve Air Fleet. The need for a vibrant CRAF Program was evidenced in 1990, during the Desert Shield and Desert Storm operations.

Since the program was last authorized, the Department of Defense, working with the Federal Aviation Administration and the carriers, entered into an agreement whereby losses incurred by a carrier operating on behalf of the Departments of State or Defense, covered by nonpremium insurance, could be reimbursed in a more timely manner.

When our committee held a hearing on these programs earlier this year, GAO testified that there were only two

outstanding issues that should be addressed legislatively.

Mr. Speaker, this is a noncontroversial bill developed on a bipartisan basis, and I urge my colleagues to support its passage.

Mr. OBERSTAR. Mr. Speaker, I yield 1 minute to the gentleman from Ohio [Mr. TRAFICANT].

Mr. TRAFICANT. Mr. Speaker, I thank the ranking member, Mr. OBERSTAR, for yielding me the time, and I support the amendment.

But I took to the floor to note that the gentleman from Minnesota [Mr. OBERSTAR], our ranking member, had been in Minnesota a couple weeks ago because his 86-year-old mother, Mariette, had a heart attack. I am glad to see that he is back energetically handling our committee's business. He was made to do so.

I am proud to announce that his mom is doing fine. And everybody here would like to just state, for the RECORD, that we support this bill and we are glad to see our ranking member back and his mom doing fine up there in Minnesota.

Mr. KIM. Mr. Speaker, I yield back the balance of my time.

Mr. OBERSTAR. Mr. Speaker, I thank the gentleman from Ohio [Mr. TRAFICANT] for his very heartfelt comments, and if my mother were watching, she would be very happy to have heard those kind words, as well. It is very reassuring that she has been able to rebound from a very serious illness and assume her normal course of activities, cooking, baking, the things that she loves best.

The woman, who in her lifetime has cooked probably three tons of bread, is not going to be stopped by a heart attack. I thank the gentleman from Ohio [Mr. TRAFICANT] for his kind words and all those who have been so supportive.

Mr. DUNCAN. Mr. Speaker, Chairman SHUSTER, myself, the ranking member of the full committee, Mr. OBERSTAR, and the ranking member of the Aviation Subcommittee, Mr. LIPINSKI, introduced H.R. 2036, the Aviation Insurance Reauthorization Act of 1997 on June 25th.

This war risk insurance program was first authorized in 1951, and, over the years, has been improved upon during the reauthorization process.

On May 1, 1997, the Aviation Subcommittee held a hearing to review the War Risk Insurance Program, which expires tomorrow.

Of course, we rarely hear about this program until a conflict arises, like Vietnam, the gulf war, or Bosnia. This insurance program was an integral part of our Nation's military response in those cases.

The reauthorization of this program is also very essential for a viable Civil Reserve Air Fleet Program which meets the Nation's security needs.

The Department of Defense depends on the CRAF Program for over 90 percent of its passengers, 40 percent of its cargo, and nearly 100 percent of its air medical evacuation capability in wartime. These flights could not be operated without the insurance provided by this bill.

So it is very important that we reauthorize this program in a timely manner.

This bill was approved unanimously by the Aviation Subcommittee on July 10 and by the full Transportation and Infrastructure Committee on July 23. The bill incorporated many of the suggestions we heard from expert witnesses at our May hearing.

Mr. Speaker, this legislation authorizes the Secretary of Transportation to be guided by reasonable business practices of the commercial aviation insurance industry when determining the amount for which an aircraft should be insured.

This change is intended to recognize that there may be instances in which an aircraft's market value is not the appropriate basis for determining the amount of insurance.

The bill also states that the President's signature of the indemnification agreement between the DOT Secretary and the head of another U.S. Government agency will constitute the required finding under current law that the flight is necessary to carry out the foreign policy of the United States.

Section 4 of the bill permits a war risk insurance policy to provide for binding arbitration of a dispute between the FAA and the commercial insurer over what part of a loss each is responsible.

The provision on borrowing authority that was in the reported bill has been dropped because the administration objected to it.

However, they did agree to develop in the coming months an alternative to the borrowing authority that would ensure that air carrier insurance claims could be paid in a timely manner. We look forward to working with them on that.

And finally, the bill also now includes a very simple provision designed to fix a problem experienced by defense contractors who lease back their planes from the military in order to fly them in air shows or other similar demonstrations.

Although this practice has been going on for many years, some in the FAA have interpreted the law in a way that would prevent this from occurring. This bill would allow these flight demonstrations, which are important to product development and company sales, to take place.

I strongly use the House to support this legislation so that we can reauthorize this very essential program.

Mr. SHUSTER. Mr. Speaker, the war risk insurance program has been a relatively noncontroversial program.

It was first authorized in 1951 and last reauthorized in 1992.

Since 1975, it has been used to insure more than 5000 flights to trouble spots such as the Middle East, Haiti, and Bosnia. It was used to insure airlines ferrying troops and supplies to the Middle East during Operation Desert Storm.

The program is scheduled to expire at the end of this fiscal year.

The reauthorization of this program is relatively straightforward.

Several technical changes suggested by GAO, the administration, or the affected airlines have been included in the bill. These changes would do the following—

Authorize the Secretary to be guided by the reasonable business practices of the commercial aviation insurance industry when determining the amount for which an aircraft should be insured.

This change is intended to recognize that there may be instances in which an aircraft's market value is not the appropriate basis for determining the amount of insurance. For example, this occurs in the case of leased or mortgaged aircraft when the lessor or mortgagor require a specified amount of insurance in the lease or mortgage agreement. As the market values of aircraft fluctuate, the specified amount may sometimes be different than the market value of the aircraft.

States that the President's signature of the indemnification agreement between the DOT Secretary and the head of another U.S. Government agency will constitute the required finding that the flight is necessary to carry out the foreign policy of the United States.

Permits a war risk insurance policy to provide for binding arbitration of a dispute between FAA and the commercial insurer over what part of a loss each is responsible for.

Extends the program for 1 year.

There are 3 changes from the bill that was reported by our Committee (Report 105–244) they are—

Elimination of the provision on borrowing authority;

Shortening of the authorization period; and

A very limited provision on public aircraft.

The elimination of the borrowing authority and the shortening of the reauthorization period are closely related.

We have dropped the borrowing authority at the request of the administration. However, FAA officials have committed to us that in return for eliminating this provision, they would work with us to develop an alternative to ensure that airline insurance claims can be paid in a timely fashion.

The reauthorization period has been shortened to ensure that FAA addresses this matter in the next year. We look forward to working with the FAA, DoD and the airlines on this.

The new provision on public aircraft is a response to a problem recently experienced by Boeing, McDonnell-Douglas and other defense contractors. The problem arises because these companies will sometimes lease back from the military aircraft that they had previously sold them. They do this in order to fly them in air shows, flight demonstrations, research, development, test, evaluation, or aircrew qualification. When they do this, FAA now believes that they lose their status as public aircraft and become subject to FAA regulations. However, as military aircraft, they cannot comply with civil regulations.

In order to allow aircraft manufacturers to once again fly their aircraft in air shows and demonstrate them for customers, this bill will make clear that these aircraft retain their status as public aircraft when leased back to the manufacturer for these limited purposes. This provision will certainly not allow anyone to lease a plane from the military and use it to carry passengers or for similar commercial purposes.

I urge support for this legislation.

Mr. OBERSTAR. Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from California [Mr. KIM] that the House suspend the rules and pass the bill, H.R. 2036, as amended.

The question was taken.

Mr. CONDIT. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Pursuant to clause 5, rule I, and the Chair's prior announcement, further proceedings on this motion will be postponed.

The point of no quorum is considered withdrawn.

GENERAL LEAVE

Mr. KIM. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend remarks and include extraneous material on H.R. 2036, the bill just considered.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

WILLIAM AUGUSTUS BOOTLE FEDERAL BUILDING AND UNITED STATES COURTHOUSE

Mr. KIM. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 595) to designate the Federal building and U.S. courthouse located at 475 Mulberry Street in Macon, GA, as the "William Augustus Bootle Federal Building and United States Courthouse".

The Clerk read as follows:

H.R. 595

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. DESIGNATION.

The Federal building and United States courthouse located at 475 Mulberry Street in Macon, Georgia, shall be known and designated as the "William Augustus Bootle Federal Building and United States Courthouse".

SEC. 2. REFERENCES.

Any references in a law, map, regulation, document, paper, or other record of the United States to the Federal building and United States courthouse referred to in section 1 shall be deemed to be a reference to the "William Augustus Bootle Federal Building and United States Courthouse".

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from California [Mr. KIM] and the gentleman from Ohio [Mr. TRAFICANT] each will control 20 minutes.

The Chair recognizes the gentleman from California [Mr. KIM].

Mr. KIM. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, H.R. 595 simply designates the U.S. courthouse in Macon, GA, as the "William Augustus Bootle Federal Building and United States Courthouse."

Judge Bootle was appointed to the U.S. District Court by President Dwight D. Eisenhower on May 20, 1954. He presided as district judge and acted as chief judge handling all six divisions of the court in six different courthouses, in 71 counties of Georgia.

Throughout his career, Judge Bootle was highly regarded by lawyers throughout the district for his keen intellect and warm sense of humor. He is, perhaps, most widely recognized for his decision in 1961 ordering the admittance of two African-American students to the University of Georgia. This decision led to the desegregation of Georgia's public school system.

The naming of this courthouse in Judge Bootle's honor is certainly a fitting tribute to a distinguished jurist. I support this bill and urge my colleagues to support the bill.

Mr. Speaker, I reserve the balance of my time.

Mr. TRAFICANT. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of H.R. 595, and I want to commend my colleague, the gentleman from Georgia [Mr. CHAMBLISS], for sponsoring this legislation to designate the U.S. courthouse in Macon, GA, as the "William Augustus Bootle Federal Building and United States Courthouse."

□ 1430

Judge Bootle began his judicial career in 1925 when he was admitted to the Georgia bar. He has served the people of Georgia since 1928, when he was first appointed assistant U.S. attorney for the Middle District of Georgia. In 1954, he was appointed U.S. district judge and served as the chief judge from 1961 through 1972, where at that time he had taken senior status.

Mr. Speaker, it is absolutely fitting and proper to join forces with the gentleman from Georgia [Mr. CHAMBLISS] in recognizing the outstanding service of Judge Bootle. I am proud to support this bill. I want to thank the gentleman from California [Mr. KIM] again for the effort he has put forward for both sides of the aisle on this legislation here, and I want to thank the staff, Mr. Barnett and Ms. Brita, for their efforts in helping bring it along.

Mr. Speaker, I rise in support of H.R. 595, a bill to designate the U.S. Courthouse in Macon, GA, as the "William Augustus Bootle Federal Building and United States Courthouse".

Judge Bootle began his judicial career in 1925 when he was admitted to the Georgia bar. He has served the people of Georgia since 1928 when he was appointed assistant U.S. attorney for the Middle District of Georgia.

In 1954 he was appointed U.S. district judge and served as the chief judge from 1961 through 1972, when he took senior status.

It is fitting and proper to honor his long, productive career by this designation.

Mr. CHAMBLISS. Mr. Speaker, I would like to take this opportunity to express my strong support for H.R. 595, the William Augustus Bootle Federal Building and U.S. Courthouse. This is an issue of great importance to me, as well as the citizens of Macon, GA.

On February 5, 1997, I introduced this legislation in the House of Representatives. H.R. 595 is similar to a bill I introduced in the 104th Congress, H.R. 4119. H.R. 4119 passed in the House by voice vote, but unfortunately was vetoed in the U.S. Senate along with many other naming bills.

H.R. 595 passed in the Senate on June 12, 1997, and I urge my colleagues to pass this legislation in the House and send this bill to the President for his signature.

This courthouse is vital to judicial proceedings in the State of Georgia. It serves as the U.S. District Court for the Middle District of Georgia which covers much of the territory of Georgia's 8th Congressional District which I represent. Mr. Speaker, there is not a more deserving individual to name this building and courthouse for than Judge Bootle and the current judges of the court wholeheartedly agree.

Judge Bootle received his undergraduate and juris doctor from Mercer University located in Macon. He was admitted to the bar of the State of Georgia in 1925. Judge Bootle honorably served the U.S. District Court for the Middle District of Georgia for a number of years. Upon his appointment by President Eisenhower, Judge Bootle served as district judge from 1954 to 1961 before serving as chief judge from 1961 to 1972. Moreover, he served the Middle District as assistant U.S. attorney and as U.S. attorney from 1928 to 1933. Judge Bootle also served the Macon community as dean of Mercer University's School of Law from 1933 to 1937. His distinguished service is admired, appreciated, and recognized throughout the State of Georgia.

Upon Judge Bootle's appointment to the bench as the judge for the Middle District of Georgia in 1954, the chief judge was ill and remained so for an extended period of time, and until 1962 when another judge was appointed, Judge Bootle handled all six divisions of the middle district of Georgia which included the Athens, Macon, Columbus, Americus, Albany, and Valdosta Divisions. Those six courthouses covered 71 counties in Georgia.

Judge Bootle was also responsible for the admittance of the first black students into the University of Georgia. I would like to take this opportunity to quote from a book written by Frederick Allen entitled "Atlanta Rising." This book deals with a lot of history which took place in the Atlanta area during the years of the civil rights era.

The two black applicants who were denied admittance into the University of Georgia were Charlayne Hunter and Hamilton Holmes. They filed suit in the middle district of Georgia, and quoting from this book, I read as follows:

Two black applicants, Charlayne Hunter and Hamilton Holmes, went to the court attacking the welter of excuses University of Georgia officials had concocted to keep them out. The two made a convincing case that the only reason they had been denied admission was segregation, pure and simple. In a

ruling issued late on the afternoon of Friday, January 6, 1961, Judge William A. Bootle ordered Hunter and Holmes admitted to the school, not in 6 months or a year, but bright and early the next Monday morning.

Judge Bootle has dedicated himself to years of service as a humble steward of justice, his community, the State of Georgia, and the United States. Due to this level of commitment, all of these societies are better places. Naming the courthouse the "William Augustus Bootle Federal Building and United States Courthouse" is an appropriate way to ensure the judge's efforts will always be remembered.

Again, I would like to urge my colleagues to vote in favor of naming the Federal Building and United States Courthouse in Macon after this honorable, deserving individual.

Mr. TRAFICANT. Mr. Speaker, with that, I reserve the balance of my time.

Mr. KIM. Mr. Speaker, I do not have any other speakers, and I yield back the balance of my time.

Mr. TRAFICANT. I, too, Mr. Speaker, yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from California [Mr. KIM] that the House suspend the rules and pass the bill, H.R. 595.

The question was taken.

Mr. CONDIT. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Pursuant to clause 5, rule I, and the Chair's prior announcement, further proceedings on this motion will be postponed.

The point of no quorum is considered withdrawn.

GENERAL LEAVE

Mr. KIM. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and include extraneous material on H.R. 595.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

RECESS

The SPEAKER pro tempore. Pursuant to clause 12 of rule I, the Chair declares the House in recess until 5 p.m.

Accordingly (at 2 o'clock and 32 minutes p.m.), the House stood in recess until 5 p.m.

AFTER RECESS

The recess having expired, the House was called to order by the Speaker pro tempore [Mr. EWING] at 5 o'clock and 1 minute p.m.

PERMISSION TO FILE CONFERENCE REPORT ON H.R. 2378, TREASURY, POSTAL SERVICE, AND GENERAL GOVERNMENT APPROPRIATIONS ACT, 1998

Mr. LIVINGSTON. Mr. Speaker, I ask unanimous consent that the managers on the part of the House may have until midnight tonight, September 29, 1997, to file a conference report on the bill (H.R. 2378) making appropriations for the Treasury Department, the U.S. Postal Service, the Executive Office of the President, and certain Independent Agencies, for the fiscal year ending 1998, and for other purposes.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

MAKING IN ORDER ON TUESDAY, SEPTEMBER 30, 1997, OR ANY DAY THEREAFTER, CONSIDERATION OF CONFERENCE REPORT ON H.R. 2378, TREASURY, POSTAL SERVICE, AND GENERAL GOVERNMENT APPROPRIATIONS ACT, 1998

Mr. LIVINGSTON. Mr. Speaker, I ask unanimous consent that it be in order on Tuesday, or on any day thereafter, to consider the conference report to accompany the bill (H.R. 2378) making appropriations for the Treasury Department, the U.S. Postal Service, the Executive Office of the President, and certain Independent Agencies, for the fiscal year ending September 30, 1998, and for other purposes; that all points of order against the conference report and against its consideration be waived; and that the conference report be considered as read when called up.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

MOTION TO ADJOURN

Mr. MILLER of California. Mr. Speaker, I have a preferential motion at the desk.

The SPEAKER pro tempore. The Clerk will report the motion.

The Clerk read as follows:

Mr. MILLER of California moves that the House do now adjourn.

The SPEAKER pro tempore. The question is on the motion to adjourn offered by the gentleman from California [Mr. MILLER].

The question was taken; and the Speaker pro tempore announced that the noes appeared to have it.

Mr. MILLER of California. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 55, nays 339, not voting 39, as follows:

[Roll No. 460]

YEAS—55

Abercrombie	Frank (MA)	Mink
Allen	Gejdenson	Obey
Andrews	Gutierrez	Olver
Barrett (WI)	Hastings (FL)	Pastor
Becerra	Hilleary	Pelosi
Berry	Jackson-Lee (TX)	Rodriguez
Coburn	Jefferson	Sanchez
Coyne	Kaptur	Shadegg
Davis (FL)	Kind (WI)	Slaughter
DeFazio	LaFalce	Stupak
Delahunt	Lewis (GA)	Tauscher
DeLauro	Lowey	Thurman
Deutsch	Markey	Tierney
Doggett	Martinez	Torres
Eshoo	McDermott	Velázquez
Evans	McNulty	Vento
Farr	Meehan	Visclosky
Filner	Miller (CA)	Woolsey
Ford		

NAYS—339

Ackerman	Crapo	Hobson
Aderholt	Cubin	Hoekstra
Archer	Cummings	Holden
Armey	Cunningham	Hooley
Bachus	Danner	Horn
Baesler	Davis (IL)	Hostettler
Baker	Davis (VA)	Houghton
Baldacci	Deal	Hoyer
Ballenger	DeGette	Hulshof
Barr	DeLay	Hunter
Barrett (NE)	Dellums	Hutchinson
Bartlett	Diaz-Balart	Hyde
Barton	Dickey	Inglis
Bass	Dicks	Istook
Bateman	Dingell	Jackson (IL)
Bentsen	Dixon	John
Bereuter	Dooley	Johnson (CT)
Berman	Doolittle	Johnson (WI)
Bilbray	Doyle	Johnson, E.B.
Bilirakis	Dreier	Johnson, Sam
Bishop	Duncan	Jones
Blagojevich	Dunn	Kanjorski
Bliley	Edwards	Kasich
Blumenauer	Ehlers	Kelly
Blunt	Emerson	Kennedy (MA)
Boehlert	Engel	Kennedy (RI)
Boehner	English	Kennelly
Bonilla	Etheridge	Kildee
Bonior	Everett	Kilpatrick
Borski	Ewing	Kim
Boswell	Fawell	King (NY)
Boucher	Foley	Kingston
Boyd	Forbes	Kleczka
Brady	Fowler	Klink
Brown (CA)	Fox	Klug
Brown (FL)	Franks (NJ)	Knollenberg
Bryant	Frelinghuysen	Kolbe
Bunning	Frost	Kucinich
Burr	Furse	LaHood
Burton	Gallegly	Lampson
Buyer	Ganske	Lantos
Callahan	Gibbons	Largent
Calvert	Gilchrest	Latham
Camp	Gillmor	LaTourette
Campbell	Gilman	Lazio
Canady	Goode	Leach
Cannon	Goodlatte	Levin
Capps	Goodling	Lewis (CA)
Cardin	Gordon	Lewis (KY)
Carson	Goss	Linder
Castle	Graham	Lipinski
Chabot	Granger	Livingston
Chambliss	Green	LoBiondo
Christensen	Greenwood	Lofgren
Clay	Gutknecht	Lucas
Clayton	Hall (OH)	Luther
Clement	Hall (TX)	Maloney (CT)
Clyburn	Hamilton	Maloney (NY)
Coble	Hansen	Manton
Collins	Hastert	Manzullo
Combest	Hastings (WA)	Mascara
Condit	Hayworth	Matsui
Cook	Hefley	McCarthy (MO)
Costello	Hilliard	McCarthy (NY)
Cramer	Hinojosa	McCollum

McCrery	Pomeroy	Smith (MI)
McDade	Porter	Smith (NJ)
McGovern	Portman	Smith (OR)
McHale	Poshard	Smith (TX)
McHugh	Price (NC)	Smith, Adam
McInnis	Pryce (OH)	Smith, Linda
McIntyre	Radanovich	Snowbarger
McKeon	Rahall	Snyder
McKinney	Ramstad	Solomon
Meek	Redmond	Spence
Menendez	Regula	Spratt
Metcalf	Reyes	Stabenow
Mica	Riggs	Stark
Millender-McDonald	Riley	Stearns
Miller (FL)	Rivers	Strickland
Minge	Roemer	Stump
Moakley	Rogan	Sununu
Mollohan	Rogers	Talent
Moran (KS)	Rohrabacher	Tanner
Moran (VA)	Ros-Lehtinen	Tauzin
Morella	Rothman	Taylor (MS)
Murtha	Roukema	Taylor (NC)
Myrick	Roybal-Allard	Thomas
Nadler	Royce	Thompson
Nethercutt	Rush	Thornberry
Neumann	Ryun	Thune
Ney	Sabo	Tiahrt
Northup	Salmon	Traficant
Norwood	Sandlin	Turner
Nussle	Sanford	Upton
Oberstar	Sawyer	Walsh
Ortiz	Saxton	Wamp
Oxley	Scarborough	Waters
Packard	Schaefer, Dan	Watt (NC)
Pappas	Schaffer, Bob	Watts (OK)
Parker	Schumer	Waxman
Pascrell	Scott	Weldon (FL)
Paul	Sensenbrenner	Weldon (PA)
Paxon	Serrano	Weller
Payne	Sessions	Weygand
Pease	Shaw	White
Peterson (MN)	Shays	Whitfield
Peterson (PA)	Sherman	Wicker
Petri	Shimkus	Wise
Pickering	Shuster	Wolf
Pickett	Sisisky	Wynn
Pitts	Skaggs	Yates
Pombo	Skeen	
	Skelton	

NOT VOTING—39

Barcia	Foglietta	Pallone
Bono	Gekas	Quinn
Brown (OH)	Gephardt	Rangel
Chenoweth	Gonzalez	Sanders
Conyers	Harman	Schiff
Cooksey	Hefner	Souder
Cox	Herger	Stenholm
Crane	Hill	Stokes
Ehrlich	Hinchey	Towns
Ensign	Jenkins	Watkins
Fattah	McIntosh	Wexler
Fazio	Neal	Young (AK)
Flake	Owens	Young (FL)

□ 1725

Mr. SHIMKUS, Mr. HOYER, Ms. RIVERS, Mrs. MYRICK, and Mr. CUNNINGHAM changed their vote from "yea" to "nay."

So the motion to adjourn was rejected.

The result of the vote was announced as above recorded.

CONTINUING APPROPRIATIONS, FISCAL YEAR 1998

Mr. LIVINGSTON. Mr. Speaker, pursuant to the order of the House of September 26, 1997, I call up the resolution (H.J. Res. 94) making continuing appropriations for the fiscal year 1998, and for other purposes, and ask for its immediate consideration in the House.

The Clerk read the title of the joint resolution.

The text of House Joint Resolution 94 is as follows:

H.J. RES. 94

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled,

That the following sums are hereby appropriated, out of any money in the Treasury not otherwise appropriated, and out of applicable corporate or other revenues, receipts, and funds, for the several departments, agencies, corporations, and other organizational units of Government for the fiscal year 1998, and for other purposes, namely:

SEC. 101. (a) Such amounts as may be necessary under the authority and conditions provided in the applicable appropriations Act for the fiscal year 1997 for continuing projects or activities including the costs of direct loans and loan guarantees (not otherwise specifically provided for in this joint resolution) which were conducted in the fiscal year 1997 and for which appropriations, funds, or other authority would be available in the following appropriations Acts:

The Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 1998;

The Departments of Commerce, Justice, and State, the Judiciary, and Related Agencies Appropriations Act, 1998, notwithstanding section 15 of the State Department Basic Authorities Act of 1956, section 701 of the United States Information and Educational Exchange Act of 1948, section 313 of the Foreign Relations Authorization Act, Fiscal Years 1994 and 1995 (Public Law 103–236), and section 53 of the Arms Control and Disarmament Act;

The Department of Defense Appropriations Act, 1998, notwithstanding section 504(a)(1) of the National Security Act of 1947;

The District of Columbia Appropriations Act, 1998, the House and Senate reported versions of which shall be deemed to have passed the House and the Senate respectively as of October 1, 1997, for the purposes of this joint resolution, unless a reported version is passed as of October 1, 1997, in which case the passed version shall be used in place of the reported version for the purposes of this joint resolution;

The Energy and Water Development Appropriations Act, 1998;

The Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1998, notwithstanding section 10 of Public Law 91–672 and section 15(a) of the State Department Basic Authorities Act of 1956;

The Department of the Interior and Related Agencies Appropriations Act, 1998;

The Departments of Labor, Health and Human Services, and Education, and Related Agencies Appropriations Act, 1998;

The Legislative Branch Appropriations Act, 1998;

The Military Construction Appropriations Act, 1998;

The Department of Transportation Appropriations Act, 1998;

The Treasury, Postal Service, and General Government Appropriations Act, 1998; and

The Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1998:

Provided, That, whenever the amount which would be made available for the authority which would be granted in these Acts as passed by the House and Senate as of October 1, 1997, is different than that which would be available or granted under current operations, the pertinent project or activity shall be continued at a rate for operations not exceeding the current rate: *Provided further*, That whenever the amount of the budget request is less than the amount for current operations and the amount which would be made available or the authority which would be granted in these appropriations Acts as passed by the House and Senate as of October 1, 1997, is less than the amount for current operations, then the pertinent project or activity shall be continued at a rate for operations not exceeding the greater of the rates that would be provided by the amount of the budget request or the amount which would be made available or the authority which would be granted in these appropriations Acts: *Provided further*, That whenever there is no amount made available under any of these appropriations Acts as passed by the House and Senate as of October 1, 1997, for a continuing project or activity which was conducted in fiscal year 1997 and for which there is fiscal year 1998 funding included in the budget request, the pertinent project or activity shall be continued at a rate for operations not exceeding the lesser of the rates that would be provided by the amount of the budget request or the rate for current operations under the authority and conditions provided in the applicable appropriations Act for the fiscal year 1997.

(b) Whenever the amount which would be made available or the authority which would be granted under an Act listed in this section as passed by the House as of October 1, 1997, is different from that which would be available or granted under such Act as passed by the Senate as of October 1, 1997, the pertinent project or activity shall be continued at a rate for operations not exceeding the current rate under the appropriation, fund, or authority granted by the applicable appropriations Act for the fiscal year 1998 and under the authority and conditions provided in the applicable appropriations Act for the fiscal year 1997: *Provided*, That whenever the amount of the budget request is less than the amount for current operations and the amounts which would be made available or the authority which would be granted in these appropriations Acts as passed by the House and the Senate as of October 1, 1997, are both less than the amount for current operations, then the pertinent project or activity shall be continued at a rate for operations not exceeding the greater of the rates that would be provided by the amount of the budget request or the amount which would be made available or the authority which would be granted in the applicable appropriations Act as passed by the House or as passed by the Senate under the appropriation, fund, or authority provided in the applicable appropriations Act for the fiscal year 1998 and under the authority and conditions provided in the applicable appropriations Act for the fiscal year 1997.

(c) Whenever an Act listed in this section has been passed by only the House or only the Senate as of October 1, 1997, the pertinent project or activity shall be continued under the appropriation, fund, or authority granted by the one House at a rate for operations not exceeding the current rate under the authority and conditions provided in the applicable appropriations Act for the fiscal year 1997: *Provided*, That whenever the amount of the budget request is less than the amount for current operations and the amounts which would be made available or the authority which would be granted in the appropriations Act as passed by the one House as of October 1, 1997, is less than the amount for current operations, then the pertinent project or activity shall be continued at a rate for operations not exceeding the greater of the rates that would be provided by the amount of the budget request or the

amount which would be made available or the authority which would be granted in the applicable appropriations Act as passed by the one House under the appropriation, fund, or authority provided in the applicable appropriations Act for the fiscal year 1998 and under the authority and conditions provided in the applicable appropriations Act for the fiscal year 1997: *Provided further*, That whenever there is no amount made available under any of these appropriations Acts as passed by the House or the Senate as of October 1, 1997, for a continuing project or activity which was conducted in fiscal year 1997 and for which there is fiscal year 1998 funding included in the budget request, the pertinent project or activity shall be continued at a rate for operations not exceeding the lesser of the rates that would be provided by the amount of the budget request or the rate for current operations under the authority and conditions provided in the applicable appropriations Act for the fiscal year 1997.

SEC. 102. No appropriation or funds made available or authority granted pursuant to section 101 for the Department of Defense shall be used for new production of items not funded for production in fiscal year 1997 or prior years, for the increase in production rates above those sustained with fiscal year 1997 funds, or to initiate, resume, or continue any project, activity, operation, or organization which are defined as any project, subproject, activity, budget activity, program element, and subprogram within a program element and for investment items are further defined as a P–1 line item in a budget activity within an appropriation account and an R–1 line item which includes a program element and subprogram element within an appropriation account, for which appropriations, funds, or other authority were not available during the fiscal year 1997: *Provided*, That no appropriation or funds made available or authority granted pursuant to section 101 for the Department of Defense shall be used to initiate multi-year procurements utilizing advance procurement funding for economic order quantity procurement unless specifically appropriated later.

SEC. 103. Appropriations made by section 101 shall be available to the extent and in the manner which would be provided by the pertinent appropriations Act.

SEC. 104. No appropriation or funds made available or authority granted pursuant to section 101 shall be used to initiate or resume any project or activity for which appropriations, funds, or other authority were not available during the fiscal year 1997.

SEC. 105. No provision which is included in an appropriations Act enumerated in section 101 but which was not included in the applicable appropriations Act for fiscal year 1997 and which by its terms is applicable to more than one appropriation, fund, or authority shall be applicable to any appropriation, fund, or authority provided in this joint resolution.

SEC. 106. Unless otherwise provided for in this joint resolution or in the applicable appropriations Act, appropriations and funds made available and authority granted pursuant to this joint resolution shall be available until (a) enactment into law of an appropriation for any project or activity provided for in this joint resolution, or (b) the enactment into law of the applicable appropriations Act by both Houses without any provision for such project or activity, or (c) October 23, 1997, whichever first occurs.

SEC. 107. Appropriations made and authority granted pursuant to this joint resolution shall cover all obligations or expenditures incurred for any program, project, or activity during the period for which funds or authority for such project or activity are available under this joint resolution.

SEC. 108. Expenditures made pursuant to this joint resolution shall be charged to the applicable appropriation, fund, or authorization whenever a bill in which such applicable appropriation, fund, or authorization is contained is enacted into law.

SEC. 109. No provision in the appropriations Act for the fiscal year 1998 referred to in section 101 of this Act that makes the availability of any appropriation provided therein dependent upon the enactment of additional authorizing or other legislation shall be effective before the date set forth in section 106(c) of this joint resolution.

SEC. 110. Appropriations and funds made available by or authority granted pursuant to this joint resolution may be used without regard to the time limitations for submission and approval of apportionments set forth in section 1513 of title 31, United States Code, but nothing herein shall be construed to waive any other provision of law governing the apportionment of funds.

SEC. 111. This joint resolution shall be implemented so that only the most limited funding action of that permitted in the joint resolution shall be taken in order to provide for continuation of projects and activities.

SEC. 112. Notwithstanding any other provision of this joint resolution, except section 106, for those programs that had high initial rates of operation or complete distribution of fiscal year 1997 appropriations at the beginning of that fiscal year because of distributions of funding to States, foreign countries, grantees or others, similar distributions of funds for fiscal year 1998 shall not be made and no grants shall be awarded for such programs funded by this resolution that would impinge on final funding prerogatives.

SEC. 113. Notwithstanding any other provision of this joint resolution, except section 106, the amount made available to the Securities and Exchange Commission, under the heading Salaries and Expenses, shall include, in addition to direct appropriations, the amount it collects under the fee rate and offsetting collection authority contained in Public Law 104–208, which fee rate and offsetting collection authority shall reman in effect during the period of this joint resolution.

SEC. 114. Notwithstanding any other provision of this joint resolution, except section 106, the rate for operations for projects and activities that would be funded under the heading "International Organizations and Conferences, Contributions to International Organizations" in the Departments of Commerce, Justice, and State, the Judiciary, and Related Agencies Appropriations Act, 1998, shall be the amount provided by the provisions of section 101 multiplied by the ratio of the number of days covered by this resolution to 365.

SEC. 115. Notwithstanding any other provision of this joint resolution, except section 106, the amounts made available for the following new programs authorized by the National Capital Revitalization and Self-Government Act of 1997, Public Law 105–33, shall be the higher of the amounts in the budget request or the House or Senate District of Columbia Appropriations Act, 1998, passed as of October 1, 1997, multiplied by the ratio of the number of days covered by this joint resolution to 365: Federal Contribution to the Operations of the Nation's Capital; Federal Payment to the District of Columbia Corrections Trustee Operations; Payment to the District of Columbia Corrections Trustee for Correctional Facilities, Construction and Repair, and Federal Payment to the District of Columbia Criminal Justice System: *Provided*, That the amounts made available for the last item shall be made available to the Joint Committee on Judicial Administration in the District of Columbia; the District of Columbia Truth in Sentencing Commission; the Pretrial Services, Defense Services, Parole, Adult Probation, and Offender Supervision Trustee; and the United States Parole Commission as appropriate.

SEC. 116. Notwithstanding any other provision of this joint resolution, except section 106, the authorities provided under subsection (a) of section 140 of the Foreign Relations Authorization Act, Fiscal Years 1994 and 1995 (Public Law 103–236) shall remain in effect during the period of this Act, notwithstanding paragraphs (3) and (5) of said subsection.

SEC. 117. Notwithstanding any other provision of this joint resolution, except section 106, the authorities provided under 217 of the Immigration and Nationality Act (8 U.S.C. 1187) shall remain in effect during the period of this joint resolution, notwithstanding subsection (f) of said section.

SEC. 118. The National Flood Insurance Act of 1968 (42 U.S.C. 4026) is amended in section 1319 by striking "September 30, 1997" and inserting "October 23, 1997" and in section 1336 by striking "September 30, 1996" and inserting "October 23, 1997".

SEC. 119. Notwithstanding section 204 of the Financial Responsibility and Management Assistance Act of 1995 related to the latest maturity date for the short-term Treasury advances, the District of Columbia government may delay repayment of the 1997 Treasury advances beyond October 1, 1997 until it receives the full year Federal contribution, as authorized by section 11601 of the National Capital Revitalization and Self-Government Improvement Act of 1997, Public Law 105–33. Any interest or penalties that would generally apply to such late payments are hereby waived under this provision.

SEC. 120. In addition to the amounts made available for the Veterans Health Administration, Medical Care account pursuant to section 101 of this joint resolution, this account is also available for necessary administrative and legal expenses of the Department for collecting and removing amounts owed the Department as authorized under 38 U.S.C. chapter 17, and the Federal Medical Care Recovery Act, 42 U.S.C. 2651 et seq.

SEC. 121. Notwithstanding section 235(a)(3) of the Foreign Assistance Act of 1961 (22 U.S.C. 2195(a)(3)), the authority of section 235(a) (1) and (2), of the same Act, shall remain in effect during the period of this joint resolution.

SEC. 122. Section 7 of the Export-Import Bank Act of 1945 (12 U.S.C. 635f) is amended by striking "1997" and inserting "October 23, 1997".

SEC. 123. Section 506(c) of Public Law 103–317 is amended by striking "September 30, 1997" and inserting "October 23, 1997".

The SPEAKER pro tempore. Pursuant to the order of the House of Friday, September 26, 1997, the gentleman from Louisiana [Mr. LIVINGSTON] and the gentleman from Wisconsin [Mr. OBEY] each will control 30 minutes.

The Chair recognizes the gentleman from Louisiana [Mr. LIVINGSTON].

GENERAL LEAVE

Mr. LIVINGSTON. Mr. Speaker, I ask unanimous consent that all Members

may have 5 legislative days in which to revise and extend their remarks on House Joint Resolution 94 and that I might include tabular and extraneous material.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

Mr. LIVINGSTON. Mr. Speaker, as a matter of a point of order, I would like to make sure I understood properly.

□ 1730

Mr. Speaker, did the Chair say that each side would be provided with 30 minutes to debate this issue?

The SPEAKER pro tempore (Mr. EWING). The gentleman is correct. The gentleman from Louisiana [Mr. LIVINGSTON] will control 30 minutes and the gentleman from Wisconsin [Mr. OBEY] will control 30 minutes.

Mr. LIVINGSTON. Mr. Speaker, I certainly do not anticipate using that time, but I ask unanimous consent that we each cede 5 minutes to the gentleman from California [Mr. ROHRABACHER], who has a concern about a provision in the bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

The SPEAKER pro tempore. The gentleman from California [Mr. ROHRABACHER] will control 10 minutes.

Mr. LIVINGSTON. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, fiscal year 1998 begins tomorrow. The Congress has not presented all 13 regular appropriations bills to the President. Because these bills will not be enacted by tomorrow night, it is necessary now to proceed with a short term continuing resolution, and I emphasize that, short-term continuing resolution so that the Government can continue to operate while we finish our work.

Currently we have concluded a conference on five bills and six more are in conference and we are making good progress, but we need a little bit more time.

While I wish I were here today speaking on the last of the 13 conference reports that we will need to approve, unfortunately, I am not. But I am also not here to despair that the process is broken and that we are facing a stalemate or Government shutdown. Even though we are here with a continuing resolution, this resolution will be signed and we will get our appropriations work completed in the near future.

Why are we not finished? Well, last year we passed our first bill on May 30, and this year we passed our first bill on July 8. This year, we withheld action on our appropriations bills pending the disposition of the budget agreement. It took awhile, but it finally came. And though we started late, it was worth it because the agreement gave us the confidence to develop bills within an overall funding agreement. This is also the reason that I believe we will be able to get our work completed in the near future.

This continuing resolution is slightly different than those of the past. The basic rate is the current rate of 1997 bills. Previous ones used were slightly more restrictive rates. However, this should not jeopardize final funding rates because the continuing resolution is a short-term one, and we take precautions to lower or restrict those current rates that might be too high or higher than finally agreed to. Also, the traditional restrictions such as no new starts and 1997 terms and conditions are included. The expiration date is October 23, 1997, and that should give us time to complete our work.

Earlier this year there was extensive debate about enacting an automatic continuing resolution so that we would not have to be here now on this bill. The argument went something like: If there is an automatic continuing resolution, then there will never be a controversial rider attached to a short-term continuing resolution that will cause a Government shutdown. My answer to that is if we do not want a Government shutdown, then develop noncontroversial continuing resolutions. Besides, if any of the proposed automatic continuing resolutions, or CR's, had been enacted, we would still be here today because we would have needed some additional provisions because of funding anomalies.

Every CR that has ever been developed has had anomalies; it is just the nature of the beast. Account structures change, new initiatives need to be started, restrictions need to be imposed. Every CR needs to be fine-tuned for each circumstance. Automatic pilots will not work. Good-faith negotiations will work, and Government shutdowns do not need to occur in those situations.

I should point out that there is a provision in this CR that extends section 245(i) of the Immigration and Nationality Act for 23 days. There is some controversy about extending this provision, as will be noted by the gentleman from California [Mr. ROHRABACHER]. This CR would only provide a very limited extension, though, to that provision that would otherwise expire tomorrow night. This should give the Congress time to address this matter in a more direct way, given the fact that we are extending it only for 3 weeks. For this reason, we have included it in this continuing resolution.

Mr. Speaker, while I am disappointed that we have to be here at all with a continuing resolution, this is the right kind of a short-term CR that we should be doing. It will be signed, and we can complete our work, so I urge adoption of the resolution.

Mr. Speaker, I reserve the balance of my time.

Mr. OBEY. Mr. Speaker, I yield 2 minutes to the gentleman from Maryland [Mr. HOYER].

Mr. HOYER. Mr. Speaker, I thank my friend, the gentleman from Wisconsin [Mr. OBEY], the distinguished ranking member of the Committee on Appropriations, and I rise to congratulate the gentleman from Louisiana [Mr. LIVINGSTON], the chairman of the Committee on Appropriations, and the ranking member.

Clearly, for those of us who represent large numbers of Federal employees, September 30 is always a traumatic day for them to face. In fact, I think both sides of the aisle have agreed that we are not going to put them at risk as we move through the appropriations process trying to get our work done on time, and I just wanted to come to the floor to say that I, for one, and I know all of the other Members on both sides appreciate the fact that we are moving on when nobody intends to shut down the Federal Government, to do our business, to resolve our differences in an orderly and productive fashion. I thank the chairman and I thank the ranking member for this time.

Mr. ROHRABACHER. Mr. Speaker, I yield myself such time as I may consume.

Included in this continuing resolution is a 3-week extension of a temporary provision of the Immigration and Nationality Act known as section 245(i). This provision was snuck into the law 3 years ago. If we do not permit it to expire, it will destroy the integrity of the legal immigration process into the United States and nullify the Illegal Immigration Reform Act that we just passed last year.

Three years ago the Democrat leadership engaged in an undemocratic tactic to get this provision into law. At that time I begged the Committee on Rules not to waive points of order against putting into our immigration law section 245(i), or what I called the Kennedy loophole. This provision, establishing a 3-year period in which illegal aliens could become legal while staying in the United States, was not considered separately by either House of the Congress, but instead was inserted during conference negotiations on the Commerce, Justice, and State, the Judiciary, and related agencies appropriations bill.

To date, there has only been one time in which either Chamber has voted on this provision. That was when the House adopted my amendment last year to repeal 245(i) a year before it was scheduled to expire on September 30, 1997. Ultimately, the conferees dropped my amendment, which, of course, was the only one that was ever voted on in this House, arguing that the other provisions of the Illegal Immigration Reform Act were being

phased in and that 245(i) would expire anyway. I was stunned to learn that the continuing resolution, this continuing resolution, provides for an extension of 245(i).

Mr. Speaker, there are several reasons why 245(i) are bad for this country, and our Members should know about this. Number one, it contradicts the Illegal Immigration Reform Act passed last year by inviting people who are illegally in this country to participate in a system that will encourage even more people to come illegally into this country.

Mr. Speaker, 245(i) rewards individuals who either snuck across our borders or who overstayed their visas by allowing them to pay $1,000 to the INS and have their status changed from illegal to legal. This is blatantly unfair to the millions of people around the world who abide by our laws, go through the proper screening process, and they are doing this in their own countries, they are waiting in line there, and wait their turn to become American residents.

Mr. Speaker, 245(i) is a slap in the face to these people who are obeying our laws and trying to come here legally. It makes a joke out of our legal immigration system and sends the clear message that if one is abiding by our laws and waiting one's turn in their own country to come here, that person is a fool. Why wait one's turn in one's own country when one can break the laws of the United States, come here and pay $1,000 and basically be moved to the front of the line.

Extending 245(i) also raises serious national security questions. Unlike those who enter the United States legally, 245(i) applicants are not required to go through the same criminal history checks as they do go through in their home countries when they are awaiting their turn to come here legally.

Consular officers located in the applicant's home country, along with foreign national employees working for the State Department, are in the best position to determine if an applicant has a criminal background or is some kind of a national security risk. Consulates abroad are more knowledgeable. They speak the local language; they know the different criminal justice systems in those countries. They are the ones who should be screening people before they come to the United States, so that we do not have criminals and terrorists coming to the United States, not being screened, and end up paying $1,000 to be put in the front of the line.

This is absurd that we are doing this, and again, the only time we voted on this, we voted it down.

Those who support the extension of 245(i) maintain that allowing it to expire will force undue hardship on these illegal aliens by breaking up their families. Well, we are also breaking up the families of the people who are standing in line and have families here in the United States, who are waiting their turn and going through the legal processes. There are just as many families being broken up; we are just saying the people who come here illegally, we are going to care about them, but not the ones standing in line who want to come and join their families in the United States. Some of those people have been waiting years to come here legally.

Proponents of 245(i) also maintain that the provision only applies to those who are already eligible for permanent resident status. The same millions of people around the world, by the way, we are talking about, they are eligible for permanent residency status. These people have been waiting in line and waiting in line. All we are doing, again, is we are picking the people who have broken the law to move to the head of the line and giving them benefits that we are not giving to people who are obeying the law and waiting their turn in line.

It is time to be honest about this provision. The reason 245(i) still exists is because it raises money for the INS. Those are the people who get that $1,000; and it lightens the caseload of our consulates abroad. Funding for the INS, and lightening the State Department's workload, these are separate issues. Sneaking provisions into the law to encourage illegal immigration is not the way that we should raise money for the INS or lighten the workload for the State Department.

Mr. Speaker, we are a nation of immigrants and the citizens of this country are a fair people and we welcome newcomers with open arms. This is not about legal immigration; this is about government-sponsored illegal activity so that the INS can make a buck.

Last year we promised our constituents that we would no longer take their money to pay for an immigration system that is unfair, randomly applied and contradictory. We told our constituents that we would no longer support a system which rewards those who break our law. That was the essence of what we were trying to do. We promised them that this country's immigration system would embody the principles that have drawn would-be Americans to our country for centuries, meaning fairness and equity.

Are we going to extend this provision which makes a mockery of fairness and equity? Are we going to break the promise that we made to the American people and provide this incredible loophole, in which hundreds of thousands if not over 1 million people who are in this country legally will be able to stay in this country at the expense of other people who have been waiting in line, waiting their legal turn?

□ 1745

Mr. Speaker, I ask my colleagues to consider voting "no" on the concurrent resolution.

Mr. Speaker, I yield 1 minute to my friend, the gentleman from San Diego, CA [Mr. HORN].

Mr. HORN. Mr. Speaker, I would like to congratulate the gentleman from California [Mr. ROHRABACHER] for the eloquence with which he has approached this subject. He is absolutely correct on every single point. It is shameful to have this provision in, where people illegally here, by paying $1,000 or whatever, can now get into this country.

The gentleman is also correct, when we go around the world and see many of our friends in the Philippines, for example, long, long lines. They have pursued immigration here legally. This undercuts, of course, what we did in Simpson-Mazzoli, long before I got here. As everybody in this Chamber knows, it was a great law, but the implementation was gutted.

The result of that is that people come here illegally, and gain us more congressional districts in California, I will say to my friends east of the Sierras. If they do not want to help us on this, just plan on losing a few more seats out of New York, Pennsylvania, Kentucky. Last time I think we took two from Pennsylvania, one from Kentucky, and so on. So we need the Members' help. It is wrong. Let us straighten it out today.

Mr. ROHRABACHER. Mr. Speaker, I yield 30 seconds to the gentleman from California [Mr. BILBRAY].

Mr. BILBRAY. Mr. Speaker, this is an issue of fairness and of common sense. I know those words may seem extreme to some people in this House. Fairness is the issue. There are people who are playing by the rules waiting to enter this country legally. They do not get an option to buy their way into a fast track.

Common sense says we do not reward people for breaking the law, and do not give them vehicles for people breaking the law that are not available to those who play by the rules. I want every Member here who voted for the immigration reform bill last year to remember this provision is a veto of the most commonsense part of that bill that says we will stop rewarding people for breaking our laws and coming here illegally.

Mr. ROHRABACHER. Mr. Speaker, I yield 1 minute to the gentleman from San Diego, [Mr. DUKE CUNNINGHAM]. Perhaps if he has some other things to say some other Members might yield him another minute or two.

Mr. CUNNINGHAM. Mr. Speaker, first of all, we need to differentiate between legal and illegal. The United States of America has more legal entrants than all the other countries put together. That is good. However, where

we must draw the line is illegal immigration. It is beyond me. The thing that both sides of the aisle fight over all the time is legislation that slips in in the dark of night, when no one is around, by unanimous consent. That is how this was put into this bill.

That is wrong, Mr. Speaker. This provision to allow illegals to remain in this country, the only thing they should have is a ticket out of here, illegals out of the United States of America, period. If we take a look at how over the period of time that immigration has rewarded the United States, that is good.

I just returned from the Philippines. The State Department is overwhelmed by visas from people trying to come into this country legally. We need to support that, Mr. Speaker, and take out this provision. We do not have the votes to beat this, but we should have an up-or-down vote on this provision.

Mr. OBEY. Mr. Speaker, I yield myself 1 minute.

Mr. Speaker, I would simply say, this is not a piece of legislation to extend the Immigration Service. This is a piece of legislation to keep the Government open so we do not shut down the Government, either on purpose or by accident.

I would point out that the fiscal year starts in 2 days, and there are only 9 legislative days left between now and the expiration of the concurrent resolution, which we now have before us. So I think we need to find the fastest possible way to resolve differences and finish these bills.

Mr. Speaker, I yield back the balance of my time.

Mr. LIVINGSTON. Mr. Speaker, I yield myself 30 seconds.

Mr. Speaker, I simply would add that the gentleman from Wisconsin [Mr. OBEY] is absolutely correct. This is a bill which extends the opportunity for Government to keep from shutting down because those appropriations bills which have not yet been signed into law can and will be within the 3 weeks allotted by this bill.

The fact that the immigration issue is involved only extends what has been lawful for the last several years for 3 specific weeks. In that 3 weeks, I hope that the opponents of these provisions can meet their demands and satisfy their concerns.

In any event, Mr. Speaker, I urge the adoption of this continuing resolution.

Mr. QUINN. Mr. Speaker, I would like to express my support for House Joint Resolution 94, making continuing appropriations for the fiscal year ending September 30, 1997.

This resolution provides temporary funding, beginning October 1, 1997, and lasting until either October 23 or when the relevant bill is signed into law, whichever comes first. The continuing resolution funds ongoing projects at current rates, except for those for which both the President and Congress have proposed reduced funding.

The joint resolution also allows payment for the administrative costs of the user fee program of the Veterans Administrative Medicare Care Program.

This short-term measure would allow the Congress to continue its important work of passing appropriations bills while not dangerously bringing the Government to a halt. I strongly opposed the Government shutdowns of 1995 and 1996, as it had a direct effect on many of my constituents in western New York.

Last year, many Federal workers in my district were forced to stay home from work and did not receive a paycheck for months. This resolution will see to it that this type of situation is averted. Many of my constituents also were unable to obtain passports, iron out problems with their deserved benefits, or enjoy visiting our national parks while on vacation.

The SPEAKER pro tempore (Mr. EWING). All time for debate has expired.

The joint resolution is considered as having been read for amendment.

Pursuant to the order of the House of Friday, September 26, 1997, the previous question is ordered.

The question is on the engrossment and third reading of the joint resolution.

The joint resolution was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER pro tempore. The question is on the passage of the joint resolution.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. ROHRABACHER. Mr. Speaker, on that I demand a recorded vote.

A recorded vote was refused.

Mr. ROHRABACHER. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 355, nays 57, not voting 21, as follows:

[Roll No. 461]

YEAS—355

Abercrombie
Ackerman
Aderholt
Allen
Andrews
Archer
Armey
Bachus
Baesler
Baldacci
Ballenger
Barrett (NE)
Barrett (WI)
Bass
Bateman
Becerra
Bentsen
Bereuter
Berman
Berry
Bilirakis
Bishop
Blagojevich
Bliley
Blumenauer
Blunt
Boehlert
Boehner
Bonilla
Bonior
Borski
Boswell
Boucher
Boyd
Brady
Brown (CA)
Brown (FL)
Brown (OH)
Bryant
Bunning
Burr
Burton
Buyer
Callahan
Calvert
Camp
Canady
Cannon
Capps
Cardin
Carson
Castle
Chabot
Christensen
Clay
Clayton
Clement
Clyburn
Condit
Cook
Costello
Cox
Coyne
Cramer
Crane
Crapo
Cummings
Cunningham
Danner
Davis (FL)
Davis (IL)
Davis (VA)
DeFazio
DeGette
Delahunt
DeLauro
Dellums
Deutsch
Diaz-Balart
Dickey
Dicks
Dingell
Dixon
Doggett
Dooley
Doyle
Dreier
Dunn
Edwards
Ehlers
Ehrlich
Emerson
Engel
English
Eshoo
Etheridge
Evans
Farr
Fawell
Fazio
Filner
Foley
Forbes
Ford
Fowler
Fox
Frank (MA)
Franks (NJ)
Frelinghuysen
Frost
Furse
Ganske
Gejdenson
Gekas
Gibbons
Gilchrest
Gilman
Goodlatte
Goodling
Gordon
Goss
Granger
Green
Greenwood
Gutierrez
Gutknecht
Hall (OH)
Hamilton
Hansen
Hastert
Hastings (FL)
Hastings (WA)
Hill
Hilliard
Hinojosa
Hobson
Hoekstra
Holden
Hooley
Hostettler
Houghton
Hoyer
Hulshof
Hutchinson
Hyde
Inglis
Istook
Jackson (IL)
Jackson-Lee (TX)
Jefferson
John
Johnson (CT)
Johnson (WI)
Johnson, E.B.
Johnson, Sam
Kanjorski
Kaptur
Kasich
Kelly
Kennedy (MA)
Kennedy (RI)
Kennelly
Kildee
Kilpatrick
Kim
Kind (WI)
King (NY)
Kingston
Kleczka
Klink
Klug
Knollenberg
Kolbe
Kucinich
LaFalce
LaHood
Lampson
Lantos
Latham
LaTourette
Lazio
Leach
Levin
Lewis (CA)
Lewis (GA)
Lewis (KY)
Linder
Lipinski
Livingston
LoBiondo
Lofgren
Lowey
Lucas
Luther
Maloney (CT)
Maloney (NY)
Manton
Markey
Martinez
Mascara
Matsui
McCarthy (MO)
McCarthy (NY)
McCollum
McCrery
McDade
McDermott
McGovern
McHale
McHugh
McIntosh
McIntyre
McKinney
McNulty
Meehan
Meek
Menendez
Mica
Millender-McDonald
Miller (CA)
Miller (FL)
Minge
Mink
Moakley
Mollohan
Moran (KS)
Moran (VA)
Morella
Murtha
Myrick
Nadler
Nethercutt
Ney
Northup
Nussle
Oberstar
Obey
Olver
Ortiz
Owens
Oxley
Packard
Pappas
Parker
Pascrell
Pastor
Paxon
Payne
Pease
Pelosi
Peterson (MN)
Peterson (PA)
Petri
Pickering
Pitts
Pombo
Pomeroy
Porter
Portman
Poshard
Price (NC)
Pryce (OH)
Radanovich
Rahall
Ramstad
Redmond
Regula
Reyes
Riggs
Rivers
Rodriguez
Roemer
Rogan
Rogers
Ros-Lehtinen
Rothman
Roybal-Allard
Rush
Ryun
Sabo
Sanchez
Sanders
Sandlin
Sawyer
Saxton
Schumer
Scott
Serrano
Sessions
Shaw
Shays
Sherman
Shimkus
Shuster
Sisisky
Skaggs
Skeen
Skelton
Slaughter
Smith (MI)
Smith (NJ)
Smith (OR)
Smith (TX)
Smith, Adam
Smith, Linda
Snowbarger
Snyder
Solomon
Souder
Spence
Spratt
Stabenow
Stark
Stokes
Strickland
Stupak
Sununu
Talent
Tanner
Tauscher
Tauzin
Taylor (NC)
Thomas
Thompson
Thornberry
Thune
Thurman
Tiahrt
Tierney
Torres
Towns
Turner
Upton
Velázquez
Vento
Visclosky
Walsh
Waters
Watt (NC)
Watts (OK)
Waxman
Weldon (FL)
Weldon (PA)
Weller
Wexler
Weygand
White
Whitfield
Wicker
Wise
Wolf
Woolsey
Wynn
Yates
Young (AK)

NAYS—57

Baker
Barr
Bartlett
Barton
Bilbray
Bono
Campbell
Chambliss
Chenoweth
Coble
Coburn
Collins
Combest
Cubin
Deal
DeLay
Doolittle
Duncan
Everett
Ewing
Gallegly
Gillmor
Goode
Graham
Hall (TX)
Hayworth
Hefley
Herger
Hilleary
Horn
Hunter
Jones
Largent
Manzullo
McInnis
McKeon
Metcalf
Neumann
Norwood
Paul
Pickett
Riley
Rohrabacher
Roukema
Royce
Salmon
Sanford
Scarborough
Schaefer, Dan
Schaffer, Bob
Sensenbrenner
Shadegg
Stearns
Stump
Taylor (MS)
Traficant
Wamp

NOT VOTING—21

Barcia
Conyers
Cooksey
Ensign
Fattah
Flake
Foglietta
Gephardt
Gonzalez
Harman
Hefner
Hinchey
Jenkins
Neal
Pallone
Quinn
Rangel
Schiff
Stenholm
Watkins
Young (FL)

□ 1809

Mr. McINNIS, Mr. MANZULLO, Mrs. CHENOWETH, and Mr. CAMPBELL changed their vote from "yea" to "nay."

Mr. HASTINGS of Florida and Mr. SANDLIN changed their vote from "nay" to "yea."

So the joint resolution was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

PERSONAL EXPLANATION

Mr. JENKINS. Mr. Speaker, due to airline cancellations, I was unable to make rollcall vote No. 461. Had I been present I would have voted "Yea." I would have voted "No" on vote No. 460.

ANNOUNCEMENT BY THE SPEAKER

The SPEAKER. Pursuant to the provisions of clause 5, rule I, the Chair will now put the question on the following motions to suspend the rules on which further proceedings were postponed earlier today in the order in which that motion was entertained.

Votes will be taken in the following order:

S. 1211, de novo;

H.R. 2261, de novo;

H.R. 2472, de novo.

Further proceedings on the remaining motions to suspend the rules will be postponed until a subsequent legislative day.

The Chair will reduce to 5 minutes the time for any electronic vote after the first such vote in this series.

PROVIDING PERMANENT AUTHORITY FOR THE ADMINISTRATION OF AU PAIR PROGRAMS

The SPEAKER. The pending business is the question of suspending the rules and passing the Senate bill, S. 1211.

The Clerk read the title of the Senate bill.

The SPEAKER. The question is on the motion offered by the gentleman from California [Mr. CAMPBELL] that the House suspend the rules and pass the Senate bill, S. 1211.

The question was taken.

RECORDED VOTE

Mr. DOGGETT. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 377, noes 33, not voting 23, as follows:

[Roll No. 462]

AYES—377

Abercrombie
Ackerman
Aderholt
Allen
Andrews
Archer
Armey
Baesler
Baker
Baldacci
Ballenger
Barrett (NE)
Barrett (WI)
Bartlett
Bass
Bateman
Becerra
Bentsen
Berman
Berry
Bilbray
Bilirakis
Bishop
Blagojevich
Bliley
Blumenauer
Boehlert
Boehner
Bonilla
Bonior
Bono
Borski
Boswell
Boucher
Boyd
Brady
Brown (CA)
Brown (FL)
Brown (OH)
Bryant
Bunning
Burr
Burton
Buyer
Callahan
Calvert
Camp
Campbell
Canady
Cannon
Capps
Cardin
Carson
Castle
Chabot
Chambliss
Christensen
Clay
Clayton
Clement
Coburn
Collins
Combest
Condit
Cook
Costello
Cox
Coyne
Cramer
Crane
Crapo
Cubin
Cummings
Cunningham
Danner
Davis (FL)
Davis (IL)
Davis (VA)
Deal
DeFazio
DeGette
Delahunt
DeLauro
DeLay
Dellums
Deutsch
Diaz-Balart
Dickey
Dicks
Dingell
Dixon
Doggett
Dooley
Doolittle
Doyle
Dreier
Dunn
Edwards
Ehlers
Ehrlich
Emerson
Engel
English
Ensign
Eshoo
Etheridge
Evans
Everett
Ewing
Farr
Fawell
Fazio
Filner
Forbes
Ford
Fowler
Fox
Franks (NJ)
Frelinghuysen
Frost
Furse
Gallegly
Gejdenson
Gekas
Gibbons
Gilchrest
Gillmor
Gilman
Goode
Goodlatte
Goodling
Gordon
Goss
Graham
Granger
Green
Greenwood
Gutierrez
Gutknecht
Hall (OH)
Hall (TX)
Hamilton
Hansen
Hastert
Hastings (FL)
Hastings (WA)
Hayworth
Hill
Hinojosa
Hobson
Hoekstra
Holden
Hooley
Horn
Hostettler
Houghton
Hoyer
Hutchinson
Hyde
Inglis
Istook
Jackson (IL)
Jackson-Lee (TX)
Jefferson
Jenkins
John
Johnson (CT)
Johnson (WI)
Johnson, E.B.
Johnson, Sam
Jones
Kanjorski
Kaptur
Kasich
Kelly
Kennedy (MA)
Kennedy (RI)
Kennelly
Kildee
Kilpatrick
Kim
Kind (WI)
King (NY)
Kingston
Kleczka
Klink
Klug
Knollenberg
Kolbe
Kucinich
LaFalce
Lampson
Lantos
Largent
Latham
LaTourette
Lazio
Leach
Levin
Lewis (CA)
Lewis (GA)
Lewis (KY)
Linder
Lipinski
Livingston
LoBiondo
Lofgren
Lowey
Lucas
Luther
Maloney (CT)
Maloney (NY)
Manton
Markey
Martinez
Mascara
Matsui
McCarthy (MO)
McCarthy (NY)
McCollum
McCrery
McDade
McDermott
McGovern
McHale
McHugh
McInnis
McIntosh
McIntyre
McKeon
McKinney
McNulty
Meehan
Meek
Menendez
Metcalf
Mica
Millender-McDonald
Miller (CA)
Miller (FL)
Minge
Mink
Moakley
Mollohan
Moran (VA)
Morella
Murtha
Myrick
Nadler
Nethercutt
Ney
Northup
Norwood
Nussle
Oberstar
Obey
Olver
Ortiz
Owens
Oxley
Packard
Pallone
Pappas
Parker
Pascrell
Pastor
Paxon
Payne
Pease
Pelosi
Peterson (MN)
Peterson (PA)
Pickering
Pickett
Pitts
Pomeroy
Porter
Portman
Poshard
Price (NC)
Pryce (OH)
Radanovich
Rahall
Ramstad
Redmond
Regula
Reyes
Riley
Rivers
Rodriguez
Roemer
Rogan
Rogers
Rohrabacher
Ros-Lehtinen
Rothman
Roukema
Roybal-Allard
Rush
Ryun
Sabo
Sanchez
Sanders
Sandlin
Sawyer
Saxton
Schaefer, Dan
Schumer
Scott
Serrano
Shadegg
Shaw
Shays
Sherman
Shimkus
Shuster
Sisisky
Skaggs
Skeen
Skelton
Slaughter
Smith (MI)
Smith (NJ)
Smith (OR)
Smith (TX)
Smith, Adam
Smith, Linda
Snowbarger
Snyder
Solomon
Souder
Spence
Spratt
Stabenow
Stark
Stokes
Strickland
Stupak
Sununu
Talent
Tanner
Tauscher
Tauzin
Taylor (MS)
Taylor (NC)
Thomas
Thompson
Thornberry
Thune
Thurman
Tiahrt
Tierney
Torres
Towns
Traficant
Turner
Upton
Velázquez
Visclosky
Walsh
Watt (NC)
Watts (OK)
Waxman
Weldon (FL)
Weldon (PA)
Weller
Wexler
Weygand
White
Whitfield
Wicker
Wise
Wolf
Woolsey
Wynn
Yates
Young (AK)

NOES—33

Barr
Barton
Bereuter
Blunt
Chenoweth
Clyburn
Coble
Duncan
Ganske
Hefley
Herger
Hilleary
Hilliard
Hulshof
Hunter
LaHood
Moran (KS)
Neumann
Paul
Petri
Pombo
Riggs
Royce
Salmon
Sanford
Scarborough
Schaffer, Bob
Sensenbrenner
Sessions
Stearns
Stump
Wamp
Waters

NOT VOTING—23

Bachus
Barcia
Conyers
Cooksey
Fattah
Flake
Foglietta
Foley
Frank (MA)
Gephardt
Gonzalez
Harman
Hefner
Hinchey
Manzullo
Neal
Quinn
Rangel
Schiff
Stenholm
Vento
Watkins
Young (FL)

□ 1828

So (two-thirds having voted in favor thereof) the rules were suspended and the Senate bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

SMALL BUSINESS PROGRAMS REAUTHORIZATION AND AMENDMENTS ACT OF 1997

The SPEAKER pro tempore. The pending business is the question de novo of suspending the rules and passing the bill, H.R. 2261, as amended.

The Clerk read the title of the bill.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Missouri [Mr. TALENT] that the House suspend the rules and pass the bill, H.R. 2261, as amended.

The question was taken.

RECORDED VOTE

Ms. JACKSON-LEE of Texas. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The SPEAKER pro tempore. This will be a 5-minute vote.

The vote was taken by electronic device, and there were—ayes 397, noes 17, not voting 19, as follows:

[Roll No. 463]

AYES—397

Abercrombie
Ackerman
Aderholt
Allen
Andrews
Archer
Armey
Bachus
Baesler
Baker
Baldacci
Ballenger
Barcia
Barrett (NE)
Barrett (WI)
Bartlett
Barton
Bass
Bateman
Becerra
Bentsen
Bereuter
Berman
Berry
Bilbray
Bilirakis
Bishop
Blagojevich
Bliley
Blumenauer
Blunt
Boehlert
Boehner
Bonilla
Bonior
Bono
Borski
Boswell
Boucher
Boyd
Brady
Brown (CA)
Brown (FL)
Brown (OH)
Bryant
Bunning
Burr
Burton
Buyer
Callahan
Calvert
Camp
Cannon
Capps
Cardin
Carson
Castle
Chabot
Chambliss
Chenoweth
Christensen
Clay
Clayton
Clement
Clyburn
Coble
Coburn
Collins
Combest
Condit
Cook
Costello
Coyne
Cramer
Crane
Crapo
Cubin
Cummings
Cunningham
Danner
Davis (FL)
Davis (IL)
Davis (VA)
Deal
DeFazio
DeGette
Delahunt
DeLauro
DeLay
Dellums
Deutsch
Diaz-Balart
Dickey
Dicks
Dingell
Dixon
Doggett
Dooley
Doolittle
Doyle
Duncan
Dunn
Edwards
Ehlers
Ehrlich
Emerson
Engel
English
Ensign
Eshoo
Etheridge
Evans
Everett
Ewing
Farr
Fawell
Fazio
Filner
Forbes
Ford
Fowler
Fox
Franks (NJ)
Frelinghuysen
Frost
Furse
Gallegly
Ganske
Gejdenson
Gekas
Gibbons
Gilchrest
Gillmor
Gilman
Goode
Goodlatte
Goodling
Gordon
Goss
Graham
Granger
Green
Greenwood
Gutierrez
Gutknecht
Hall (OH)
Hall (TX)
Hamilton
Hansen
Hastert
Hastings (FL)
Hayworth
Hefley
Herger
Hill
Hilleary
Hilliard
Hinojosa
Hobson
Hoekstra
Holden
Hooley
Horn
Houghton
Hoyer
Hulshof
Hunter
Hutchinson
Hyde
Inglis
Istook
Jackson (IL)
Jackson-Lee (TX)
Jefferson
Jenkins
John
Johnson (CT)
Johnson (WI)
Johnson, E.B.
Johnson, Sam
Kanjorski
Kaptur
Kasich
Kelly
Kennedy (MA)
Kennedy (RI)
Kennelly
Kildee
Kilpatrick
Kim
Kind (WI)
King (NY)
Kingston
Kleczka
Klink
Klug
Knollenberg
Kolbe
Kucinich
LaFalce
LaHood
Lampson
Lantos
Largent
Latham
LaTourette
Lazio
Leach
Levin
Lewis (CA)
Lewis (GA)
Lewis (KY)
Linder
Lipinski
Livingston
LoBiondo
Lofgren
Lowey
Lucas
Luther
Maloney (CT)
Maloney (NY)
Manton
Manzullo
Markey
Martinez
Mascara
Matsui
McCarthy (MO)
McCarthy (NY)
McCollum
McCrery
McDade
McDermott
McGovern
McHale
McHugh
McInnis
McIntyre
McKeon
McKinney
McNulty
Meehan
Meek
Menendez
Metcalf
Mica
Millender-McDonald
Miller (CA)
Minge
Mink
Moakley
Mollohan
Moran (KS)
Moran (VA)
Morella
Murtha
Myrick
Nadler
Nethercutt
Ney
Northup
Norwood
Nussle
Oberstar
Obey
Olver
Ortiz
Owens
Oxley
Packard
Pallone
Pappas
Parker
Pascrell
Pastor
Paxon
Payne
Pease
Pelosi
Peterson (MN)
Peterson (PA)
Petri
Pickering
Pickett
Pitts
Pombo
Pomeroy
Porter
Portman
Poshard
Price (NC)
Pryce (OH)
Radanovich
Rahall
Ramstad
Redmond
Regula
Reyes
Riggs
Riley
Rivers
Rodriguez
Roemer
Rogan
Rogers
Ros-Lehtinen
Rothman
Roybal-Allard
Rush
Ryun
Sabo
Salmon
Sanchez
Sanders
Sandlin
Sawyer
Saxton
Scarborough
Schaefer, Dan
Schaffer, Bob
Schumer
Scott
Sensenbrenner
Serrano
Sessions
Shadegg
Shaw
Shays
Sherman
Shimkus
Shuster
Sisisky
Skaggs
Skeen
Skelton
Slaughter
Smith (MI)
Smith (NJ)
Smith (OR)
Smith (TX)
Smith, Adam
Smith, Linda
Snowbarger
Snyder
Solomon
Souder
Spence
Spratt
Stabenow
Stark
Stearns
Stokes
Strickland
Stupak
Sununu
Talent
Tanner
Tauscher
Tauzin
Taylor (MS)
Taylor (NC)
Thomas
Thompson
Thornberry
Thune
Thurman
Tiahrt
Tierney
Torres
Towns
Traficant
Turner
Upton
Velázquez
Vento
Visclosky
Walsh
Wamp
Waters
Watt (NC)
Watts (OK)
Waxman
Weldon (FL)
Weldon (PA)
Weller
Wexler
Weygand
White
Whitfield
Wicker
Wise
Wolf
Woolsey
Wynn
Yates
Young (AK)

NOES—17

Barr
Campbell
Canady
Cox
Dreier
Hastings (WA)
Hostettler
Jones
McIntosh
Miller (FL)
Neumann
Paul
Rohrabacher
Roukema
Royce
Sanford
Stump

NOT VOTING—19

Conyers
Cooksey
Fattah
Flake
Foglietta
Foley
Frank (MA)
Gephardt
Gonzalez
Harman
Hefner
Hinchey
Neal
Quinn
Rangel
Schiff
Stenholm
Watkins
Young (FL)

□ 1840

So (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid upon the table.

Mr. TALENT. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the Senate bill (S. 1139) to reauthorize the programs of the Small Business Administration, and for other purposes, and ask for its immediate consideration in the House.

The Clerk read the title of the Senate bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Missouri?

There was no objection.

The Clerk read the Senate bill as follows:

S. 1139

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the "Small Business Reauthorization Act of 1997".

(b) TABLE OF CONTENTS.—The table of contents for this Act is as follows:

Sec. 1. Short title; table of contents.
Sec. 2. Effective date.

TITLE I—AUTHORIZATIONS

Sec. 101. Authorizations.

TITLE II—FINANCIAL ASSISTANCE

Subtitle A—Microloan Program

Sec. 201. Microloan program.
Sec. 202. Welfare-to-work microloan pilot program.

Subtitle B—Small Business Investment Company Program

Sec. 211. 5-year commitments for SBICs at option of Administrator.
Sec. 212. Fees.
Sec. 213. Small business investment company program reform.
Sec. 214. Examination fees.

Subtitle C—Certified Development Company Program

Sec. 221. Loans for plant acquisition, construction, conversion, and expansion.
Sec. 222. Development company debentures.
Sec. 223. Premier certified lenders program.

TITLE III—WOMEN'S BUSINESS ENTERPRISES

Sec. 301. Interagency committee participation.
Sec. 302. Reports.
Sec. 303. Council duties.
Sec. 304. Council membership.
Sec. 305. Authorization of appropriations.
Sec. 306. Women's business centers.
Sec. 307. Office of women's business ownership.
Sec. 308. National Women's Business Council procurement project.

TITLE IV—COMPETITIVENESS PROGRAM AND PROCUREMENT OPPORTUNITIES

Subtitle A—Small Business Competitiveness Program

Sec. 401. Program term.
Sec. 402. Monitoring agency performance.
Sec. 403. Reports to Congress.
Sec. 404. Small business participation in dredging.

Subtitle B—Small Business Procurement Opportunities Program

Sec. 411. Contract bundling.

Sec. 412. Definition of contract bundling.
Sec. 413. Assessing proposed contract bundling.
Sec. 414. Reporting of bundled contract opportunities.
Sec. 415. Evaluating subcontract participation in awarding contracts.
Sec. 416. Improved notice of subcontracting opportunities.
Sec. 417. Deadlines for issuance of regulations.

TITLE V—MISCELLANEOUS PROVISIONS

Sec. 501. Small business technology transfer program.
Sec. 502. Small business development centers.
Sec. 503. Pilot preferred surety bond guarantee program extension.
Sec. 504. Extension of cosponsorship authority.
Sec. 505. Asset sales.
Sec. 506. Small business export promotion.
Sec. 507. Defense Loan and Technical Assistance program.

TITLE VI—HUBZONE PROGRAM

Sec. 601. Short title.
Sec. 602. Historically underutilized business zones.
Sec. 603. Technical and conforming amendments to the Small Business Act.
Sec. 604. Other technical and conforming amendments.
Sec. 605. Regulations.
Sec. 606. Report.
Sec. 607. Authorization of appropriations.

SEC. 2. EFFECTIVE DATE.

This Act and the amendments made by this Act shall take effect on October 1, 1997.

TITLE I—AUTHORIZATIONS

SEC. 101. AUTHORIZATIONS.

Section 20 of the Small Business Act (15 U.S.C. 631 note) is amended by striking subsections (c) through (q) and inserting the following:

"(c) FISCAL YEAR 1998.—

"(1) PROGRAM LEVELS.—The following program levels are authorized for fiscal year 1998:

"(A) For the programs authorized by this Act, the Administration is authorized to make—

"(i) $28,000,000 in technical assistance grants, as provided in section 7(m); and

"(ii) $60,000,000 in loans, as provided in section 7(m).

"(B) For the programs authorized by this Act, the Administration is authorized to make $17,040,000,000 in deferred participation loans and other financings. Of such sum, the Administration is authorized to make—

"(i) $13,000,000,000 in general business loans as provided in section 7(a);

"(ii) $3,000,000,000 in financings as provided in section 7(a)(13) of this Act and section 504 of the Small Business Investment Act of 1958;

"(iii) $1,000,000,000 in loans as provided in section 7(a)(21); and

"(iv) $40,000,000 in loans as provided in section 7(m).

"(C) For the programs authorized by title III of the Small Business Investment Act of 1958, the Administration is authorized to make—

"(i) $600,000,000 in purchases of participating securities; and

"(ii) $500,000,000 in guarantees of debentures.

"(D) For the programs authorized by part B of title IV of the Small Business Investment Act of 1958, the Administration is authorized to enter into guarantees not to exceed $2,000,000,000, of which not more than $650,000,000 may be in bonds approved pursuant to section 411(a)(3) of that Act.

"(E) The Administration is authorized to make grants or enter into cooperative agreements—

"(i) for the Service Corps of Retired Executives program authorized by section 8(b)(1), $4,000,000; and

"(ii) for activities of small business development centers pursuant to section 21(c)(3)(G), $15,000,000, to remain available until expended.

"(2) ADDITIONAL AUTHORIZATIONS.—

"(A) There are authorized to be appropriated to the Administration for fiscal year 1998 such sums as may be necessary to carry out this Act, including administrative expenses and necessary loan capital for disaster loans pursuant to section 7(b), and to carry out the Small Business Investment Act of 1958, including salaries and expenses of the Administration.

"(B) Notwithstanding subparagraph (A), for fiscal year 1998—

"(i) no funds are authorized to be provided to carry out the loan program authorized by section 7(a)(21) except by transfer from another Federal department or agency to the Administration, unless the program level authorized for general business loans under subsection (1)(2)(A) is fully funded; and

"(ii) the Administration may not approve loans on behalf of the Administration or on behalf of any other department or agency, by contract or otherwise, under terms and conditions other than those specifically authorized under this Act or the Small Business Investment Act of 1958, except that it may approve loans under section 7(a)(21) of this Act in gross amounts of not more than $1,250,000.

"(d) FISCAL YEAR 1999.—

"(1) PROGRAM LEVELS.—The following program levels are authorized for fiscal year 1999:

"(A) For the programs authorized by this Act, the Administration is authorized to make—

"(i) $28,000,000 in technical assistance grants as provided in section 7(m); and

"(ii) $60,000,000 in loans, as provided in section 7(m).

"(B) For the programs authorized by this Act, the Administration is authorized to make $18,540,000,000 in deferred participation loans and other financings. Of such sum, the Administration is authorized to make—

"(i) $14,000,000,000 in general business loans as provided in section 7(a);

"(ii) $3,500,000,000 in financings as provided in section 7(a)(13) of this Act and section 504 of the Small Business Investment Act of 1958;

"(iii) $1,000,000,000 in loans as provided in section 7(a)(21); and

"(iv) $40,000,000 in loans as provided in section 7(m).

"(C) For the programs authorized by title III of the Small Business Investment Act of 1958, the Administration is authorized to make—

"(i) $700,000,000 in purchases of participating securities; and

"(ii) $650,000,000 in guarantees of debentures.

"(D) For the programs authorized by part B of title IV of the Small Business Investment Act of 1958, the Administration is authorized to enter into guarantees not to exceed $2,000,000,000, of which not more than $650,000,000 may be in bonds approved pursuant to section 411(a)(3) of that Act.

"(E) The Administration is authorized to make grants or enter cooperative agreements—

"(i) for the Service Corps of Retired Executives program authorized by section 8(b)(1), $4,500,000; and

"(ii) for activities of small business development centers pursuant to section 21(c)(3)(G), not to exceed $15,000,000, to remain available until expended.

"(2) ADDITIONAL AUTHORIZATIONS.—

"(A) There are authorized to be appropriated to the Administration for fiscal year 1999 such sums as may be necessary to carry out this Act, including administrative expenses and necessary loan capital for disaster loans pursuant to section 7(b), and to carry out the Small Business Investment Act of 1958, including salaries and expenses of the Administration.

"(B) Notwithstanding subparagraph (A), for fiscal year 1999—

"(i) no funds are authorized to be provided to carry out the loan program authorized by section 7(a)(21) except by transfer from another Federal department or agency to the Administration, unless the program level authorized for general business loans under subsection (n)(2)(A) is fully funded; and

"(ii) the Administration may not approve loans on behalf of the Administration or on behalf of any other department or agency, by contract or otherwise, under terms and conditions other than those specifically authorized under this Act or the Small Business Investment Act of 1958, except that it may approve loans under section 7(a)(21) of this Act in gross amounts of not more than $1,250,000.

"(e) FISCAL YEAR 2000.—

"(1) PROGRAM LEVELS.—The following program levels are authorized for fiscal year 2000:

"(A) For the programs authorized by this Act, the Administration is authorized to make—

"(i) $28,000,000 in technical assistance grants as provided in section 7(m); and

"(ii) $60,000,000 in direct loans, as provided in section 7(m).

"(B) For the programs authorized by this Act, the Administration is authorized to make $21,040,000,000 in deferred participation loans and other financings. Of such sum, the Administration is authorized to make—

"(i) $15,500,000,000 in general business loans as provided in section 7(a);

"(ii) $4,500,000,000 in financings as provided in section 7(a)(13) of this Act and section 504 of the Small Business Investment Act of 1958;

"(iii) $1,000,000,000 in loans as provided in section 7(a)(21); and

"(iv) $40,000,000 in loans as provided in section 7(m).

"(C) For the programs authorized by title III of the Small Business Investment Act of 1958, the Administration is authorized to make—

"(i) $850,000,000 in purchases of participating securities; and

"(ii) $700,000,000 in guarantees of debentures.

"(D) For the programs authorized by part B of title IV of the Small Business Investment Act of 1958, the Administration is authorized to enter into guarantees not to exceed $2,000,000,000, of which not more than $650,000,000 may be in bonds approved pursuant to section 411(a)(3) of that Act.

"(E) The Administration is authorized to make grants or enter cooperative agreements—

"(i) for the Service Corps of Retired Executives program authorized by section 8(b)(1), $5,000,000; and

"(ii) for activities of small business development centers pursuant to section

21(c)(3)(G), not to exceed $15,000,000, to remain available until expended.

"(2) ADDITIONAL AUTHORIZATIONS.—

"(A) There are authorized to be appropriated to the Administration for fiscal year 2000 such sums as may be necessary to carry out this Act, including administrative expenses and necessary loan capital for disaster loans pursuant to section 7(b), and to carry out the Small Business Investment Act of 1958, including salaries and expenses of the Administration.

"(B) Notwithstanding subparagraph (A), for fiscal year 2000—

"(i) no funds are authorized to be provided to carry out the loan program authorized by section 7(a)(21) except by transfer from another Federal department or agency to the Administration, unless the program level authorized for general business loans under subsection (p)(2)(A) is fully funded; and

"(ii) the Administration may not approve loans on behalf of the Administration or on behalf of any other department or agency, by contract or otherwise, under terms and conditions other than those specifically authorized under this Act or the Small Business Investment Act of 1958, except that it may approve loans under section 7(a)(21) of this Act in gross amounts of not more than $1,250,000.".

TITLE II—FINANCIAL ASSISTANCE

Subtitle A—Microloan Program

SEC. 201. MICROLOAN PROGRAM.

(a) LOAN LIMITS.—Section 7(m)(3)(C) of the Small Business Act (15 U.S.C. 636(m)(3)(C)) is amended by striking "$2,500,000" and inserting "$3,500,000".

(b) LOAN LOSS RESERVE FUND.—Section 7(m)(3)(D) of the Small Business Act (15 U.S.C. 636(m)(3)(D)) is amended by striking clauses (i) and (ii), and inserting the following:

"(i) during the initial 5 years of the intermediary's participation in the program under this subsection, at a level equal to not more than 15 percent of the outstanding balance of the notes receivable owed to the intermediary; and

"(ii) in each year of participation thereafter, at a level equal to not more than the greater of—

"(I) 2 times an amount reflecting the total losses of the intermediary as a result of participation in the program under this subsection, as determined by the Administrator on a case-by-case basis; or

"(II) 10 percent of the outstanding balance of the notes receivable owed to the intermediary.".

(c) AUTHORIZATION OF APPROPRIATIONS.—Section 7(m) of the Small Business Act (15 U.S.C. 636(m)) is amended—

(1) in the subsection heading, by striking "DEMONSTRATION";

(2) by striking "Demonstration" each place that term appears;

(3) by striking "demonstration" each place that term appears; and

(4) in paragraph (12), by striking "during fiscal years 1995 through 1997" and inserting "during fiscal years 1998 through 2000".

(d) TECHNICAL ASSISTANCE GRANTS.—Section 7(m)(4)(E) of the Small Business Act (15 U.S.C. 636(m)(4)(E)) is amended—

(1) by inserting "(i)" before "Each intermediary";

(2) by striking "15" and inserting "25";

(3) by adding at the end of the paragraph "(ii) The intermediary may expend up to 25 percent of the funds received under paragraph (1)(B)(ii) to enter into third party contracts for the provision of technical assistance".

SEC. 202. WELFARE-TO-WORK MICROLOAN PILOT PROGRAM.

(a) PROGRAM ESTABLISHMENT.—Section 7(m) of the Small Business Act (15 U.S.C. 636(m)) is amended—

(1) in paragraph (1)(A)—

(A) in clause (ii), by striking "and" at the end;

(B) in clause (iii), by striking the period at the end and inserting "; and"; and

(C) by adding at the end the following:

"(iv) to establish a welfare-to-work microloan pilot program, which shall be administered by the Administration, in order to—

"(I) test the feasibility of supplementing the technical assistance grants provided under clauses (ii) and (iii) of subparagraph (B) to individuals who are receiving assistance under the State program funded under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.), or under any comparable State-funded means-tested program of assistance for low-income individuals, in order to adequately assist those individuals in—

"(aa) establishing small businesses; and

"(bb) eliminating their dependence on that assistance;

"(II) permit the grants described in subclause (I) to be used to provide intensive management, marketing and technical assistance as well as to pay or reimburse a portion of child care and transportation costs of individuals described in subclause (I) who become microborrowers;

"(III) eliminate barriers to microborrowers in establishing child care businesses; and

"(IV) evaluate the effectiveness of assistance provided under this clause in helping individuals described in subclause (I) to eliminate their dependence on assistance described in that subclause and become employed in their own business;";

(2) in paragraph (4), by adding at the end the following:

"(F) SUPPLEMENTAL GRANTS.—

"(i) IN GENERAL.—In addition to grants under subparagraphs (A) and (C) and paragraph (5), the Administration may select from participating intermediaries and recipients of grants under paragraph (5), not more than 20 entities in fiscal year 1998, 25 entities in fiscal year 1999, and 30 entities in fiscal year 2000, each of whom may receive annually a supplemental grant in an amount not to exceed $200,000 for the purpose of providing additional technical assistance and related services to borrowers who are receiving assistance described in paragraph (1)(A)(iv)(I) at the time they initially apply for assistance under the program.

"(ii) INAPPLICABILITY OF CONTRIBUTION REQUIREMENTS.—The contribution requirements of subparagraphs (B) and (C)(i)(II) do not apply to any grant made under this subparagraph.

"(iii) CHILD CARE AND TRANSPORTATION COSTS.—Any grant made under this subparagraph may be used to pay or reimburse a portion of the costs of child care and transportation incurred by a borrower under the welfare-to-work microloan pilot program under paragraph (1)(A)(iv).";

(3) in paragraph (6), by adding at the end the following:

"(E) ESTABLISHMENT OF CHILD CARE ESTABLISHMENTS.—In addition to other eligible small business concerns, borrowers under any program under this subsection may include individuals who will use the loan proceeds to establish for-profit or nonprofit child care establishments.";

(4) in paragraph (9)—

(A) by striking the paragraph designation and paragraph heading and inserting the following:

"(9) GRANTS FOR MANAGEMENT, MARKETING, TECHNICAL ASSISTANCE, AND RELATED SERVICES.—"; and

(B) by adding at the end the following:

"(C) WELFARE-TO-WORK MICROLOAN PILOT PROGRAM.—Of amounts made available to carry out the welfare-to-work microloan pilot program under paragraph (1)(A)(iv) in any fiscal year, the Administration may use not more than 5 percent to provide technical assistance, either directly or through contractors, to welfare-to-work microloan pilot program grantees, to ensure that, as grantees, they have the knowledge, skills, and understanding of microlending and welfare-to-work transition, and other related issues, to operate a successful welfare-to-work microloan pilot program."; and

(5) by adding at the end the following:

"(13) EVALUATION OF WELFARE-TO-WORK MICROLOAN PILOT PROGRAM.—On January 31, 1999, and annually thereafter, the Administration shall submit to the Committees on Small Business of the House of Representatives and the Senate a report on the welfare-to-work microloan pilot program authorized under paragraph (1)(A)(iv), which report shall include, with respect to the preceding fiscal year, an analysis of the progress and effectiveness of the program during that fiscal year, and data relating to—

"(A) the number and location of each grantee under the program;

"(B) the amount of each grant;

"(C) the number of individuals who received assistance under each grant, including separate data relating to—

"(i) the number of individuals who received training;

"(ii) the number of individuals who received transportation assistance; and

"(iii) the number of individuals who received child care assistance (including the number of children assisted);

"(D) the type and amount of loan and grant assistance received by borrowers under the program;

"(E) the number of businesses that were started with assistance provided under the program that are operational and the number of jobs created by each business;

"(F) the number of individuals receiving training under the program who, after receiving assistance under the program—

"(i) are employed in their own businesses; and

"(ii) are not receiving public assistance for themselves or their children;

"(G) whether and to what extent each grant was used to defray the transportation and child care costs of borrowers; and

"(H) any recommendations for legislative changes to improve program operations.".

(c) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out the welfare-to-work microloan pilot program under section 7(m)(1)(A)(iv) of the Small Business Act (as added by this section)—

(1) $3,000,000 for fiscal year 1998;

(2) $4,000,000 for fiscal year 1999; and

(3) $5,000,000 for fiscal year 2000.

Subtitle B—Small Business Investment Company Program

SEC. 211. 5-YEAR COMMITMENTS FOR SBICs AT OPTION OF ADMINISTRATOR.

Section 20(a)(2) of the Small Business Act (15 U.S.C. 631 note) is amended in the last sentence by striking "the following fiscal year" and inserting "any 1 or more of the 4 subsequent fiscal years".

SEC. 212. FEES.

Section 301 of the Small Business Investment Act of 1958 (15 U.S.C. 681) is amended by adding the following:

"(e) FEES.—

"(1) IN GENERAL.—The Administration may prescribe fees to be paid by each applicant for a license to operate as a small business investment company under this Act.

"(2) USE OF AMOUNTS.—Amounts collected pursuant to this subsection shall be—

"(A) deposited in the account for salaries and expenses of the Administration; and

"(B) available without further appropriation solely to cover contracting and other administrative costs related to licensing.".

SEC. 213. SMALL BUSINESS INVESTMENT COMPANY PROGRAM REFORM.

(a) BANK INVESTMENTS.—Section 302(b) of the Small Business Investment Act of 1958 (15 U.S.C. 682(b)) is amended by striking "1956," and all that follows before the period and inserting the following: "1956, any national bank, or any member bank of the Federal Reserve System or nonmember insured bank to the extent permitted under applicable State law, may invest in any 1 or more small business investment companies, or in any entity established to invest solely in small business investment companies, except that in no event shall the total amount of such investments of any such bank exceed 5 percent of the capital and surplus of the bank".

(b) INDEXING FOR LEVERAGE.—Section 303 of the Small Business Investment Act of 1958 (15 U.S.C. 683) is amended—

(1) in subsection (b)—

(A) in paragraph (2), by adding at the end the following:

"(D)(i) The dollar amounts in subparagraphs (A), (B), and (C) shall be adjusted annually to reflect increases in the Consumer Price Index established by the Bureau of Labor Statistics of the Department of Labor.

"(ii) The initial adjustments made under this subparagraph after the date of enactment of the Small Business Reauthorization Act of 1997 shall reflect only increases from March 31, 1993."; and

(B) by striking paragraph (4) and inserting the following:

"(4) MAXIMUM AGGREGATE AMOUNT OF LEVERAGE.—

"(A) IN GENERAL.—Except as provided in subparagraph (B), the aggregate amount of outstanding leverage issued to any company or companies that are commonly controlled (as determined by the Administrator) may not exceed $90,000,000, as adjusted annually for increases in the Consumer Price Index.

"(B) EXCEPTIONS.—The Administrator may, on a case-by-case basis—

"(i) approve an amount of leverage that exceeds the amount described in subparagraph (A) for companies under common control; and

"(ii) impose such additional terms and conditions as the Administrator determines to be appropriate to minimize the risk of loss to the Administration in the event of default.

"(C) APPLICABILITY OF OTHER PROVISIONS.—Any leverage that is issued to a company or companies commonly controlled in an amount that exceeds $90,000,000, whether as a result of an increase in the Consumer Price Index or a decision of the Administrator, is subject to subsection (d).''; and

(2) by striking subsection (d) and inserting the following:

"(d) REQUIRED CERTIFICATIONS.—

"(1) IN GENERAL.—The Administrator shall require each licensee, as a condition of approval of an application for leverage, to certify in writing—

"(A) for licensees with leverage less than or equal to $90,000,000, that not less than 20 percent of the licensee's aggregate dollar amount of financings will be provided to smaller enterprises; and

"(B) for licensees with leverage in excess of $90,000,000, that, in addition to satisfying the requirements of subparagraph (A), 100 percent of the licensee's aggregate dollar amount of financings made in whole or in part with leverage in excess of $90,000,000 will be provided to smaller enterprises as defined in section 103(12).

"(2) MULTIPLE LICENSEES.—Multiple licensees under common control (as determined by the Administrator) shall be considered to be a single licensee for purposes of determining both the applicability of and compliance with the investment percentage requirements of this subsection.".

(c) TAX DISTRIBUTIONS.—Section 303(g)(8) of the Small Business Investment Act of 1958 (15 U.S.C. 683(g)(8)) is amended by adding at the end the following: "A company may also elect to make a distribution under this paragraph at the end of any calendar quarter based on a quarterly estimate of the maximum tax liability. If a company makes 1 or more quarterly distributions for a calendar year, and the aggregate amount of those distributions exceeds the maximum amount that the company could have distributed based on a single annual computation, any subsequent distribution by the company under this paragraph shall be reduced by an amount equal to the excess amount distributed.".

(d) LEVERAGE FEE.—Section 303(i) of the Small Business Investment Act of 1958 (15 U.S.C. 683(i)) is amended by striking ", payable upon" and all that follows before the period and inserting the following: "in the following manner: 1 percent upon the date on which the Administration enters into any commitment for such leverage with the licensee, and the balance of 2 percent (or 3 percent if no commitment has been entered into by the Administration) on the date on which the leverage is drawn by the licensee".

(e) PERIODIC ISSUANCE OF GUARANTEES AND TRUST CERTIFICATES.—Section 320 of the Small Business Investment Act of 1958 (15 U.S.C. 687m) is amended by striking "three months" and inserting "6 months".

SEC. 214. EXAMINATION FEES.

Section 310(b) of the Small Business Investment Act of 1958 (15 U.S.C. 687b(b)) is amended by inserting after the first sentence the following: "Fees collected under this subsection shall be deposited in the account for salaries and expenses of the Administration, and shall be available without further appropriation solely to cover the costs of examinations and other program oversight activities.".

Subtitle C—Certified Development Company Program

SEC. 221. LOANS FOR PLANT ACQUISITION, CONSTRUCTION, CONVERSION, AND EXPANSION.

Section 502 of the Small Business Investment Act of 1958 (15 U.S.C. 696) is amended—

(1) by striking paragraph (1) and inserting the following:

"(1) The proceeds of any such loan shall be used solely by the borrower to assist 1 or more identifiable small business concerns and for a sound business purpose approved by the Administration.";

(2) in paragraph (3), by adding at the end the following:

"(D) SELLER FINANCING.—Seller-provided financing may be used to meet the requirements of subparagraph (B), if the seller subordinates the interest of the seller in the property to the debenture guaranteed by the Administration.

"(E) COLLATERAL REQUIREMENTS.—Adequacy of collateral provided by the small business shall be one factor evaluated in the credit determination. Collateral provided by the small business concern generally will include a subordinate lien position on the property being financed, and additional collateral may be required in a case-by-case basis, as determined by the Administration."; and

(3) by adding at the end the following:

"(5) Except as provided in paragraph (4), not to exceed 25 percent of the project may be leased by the assisted small business, if—

"(A) the assisted small business is required to occupy permanently and use not less than 75 percent of the space in the project after the execution of any leases authorized in this paragraph; and

"(B) each tenant is engaged a business that enhances the operations of the assisted small business.".

SEC. 222. DEVELOPMENT COMPANY DEBENTURES.

Section 503 of the Small Business Investment Act of 1958 (15 U.S.C. 697) is amended—

(1) in subsection (b)(7), by striking subparagraph (A) and inserting the following:

"(A) assesses and collects a fee, which shall be payable by the borrower, in an amount established annually by the Administration, which amount shall not exceed the lesser of—

"(i) 0.9375 percent per year of the outstanding balance of the loan; and

"(ii) the minimum amount necessary to reduce the cost (as that term is defined in section 502 of the Federal Credit Reform Act of 1990) to the Administration of purchasing and guaranteeing debentures under this Act to zero; and"; and

(2) in subsection (f), by striking "1997" and inserting "2000".

SEC. 223. PREMIER CERTIFIED LENDERS PROGRAM.

(a) IN GENERAL.—Section 508 of the Small Business Investment Act of 1958 (15 U.S.C. 697e) is amended—

(1) in subsection (a), by striking "not more than 15";

(2) in subsection (b)(2), by striking subparagraphs (A) and (B) and inserting the following:

"(A) is an active certified development company in good standing and has been an active participant in the accredited lenders program during the entire 12-month period preceding the date on which the company submits an application under paragraph (1), except that the Administration may waive this requirement if the company is qualified to participate in the accredited lenders program;

"(B) has a history of—

"(i) submitting to the Administration adequately analyzed debenture guarantee application packages; and

"(ii) of properly closing section 504 loans and servicing its loan portfolio; and";

(3) by striking subsection (c) and inserting the following:

"(c) LOSS RESERVE.—

"(1) ESTABLISHMENT.—A company designated as a premier certified lender shall establish a loss reserve for financing approved pursuant to this section.

"(2) AMOUNT.—The amount of the loss reserve shall be based upon the greater of—

"(A) the historic loss rate on debentures issued by such company; or

"(B) 10 percent of the amount of the company's exposure as determined under subsection (b)(2)(C).

"(3) ASSETS.—The loss reserve shall be comprised of any combination of the following types of assets:

"(A) segregated funds on deposit in an account or accounts with a federally insured depository institution or institutions selected by the company, subject to a collateral assignment in favor of, and in a format acceptable to, the Administration; or

"(B) irrevocable letter or letters of credit, with a collateral assignment in favor of, and a commercially reasonable format acceptable to, the Administration.

"(4) CONTRIBUTIONS.—The company shall make contributions to the loss reserve, either cash or letters of credit as provided above, in the following amounts and at the following intervals:

"(A) 50 percent when a debenture is closed;

"(B) 25 percent additional not later than 1 year after a debenture is closed; and

"(C) 25 percent additional not later than 2 years after a debenture is closed.

"(5) REPLENISHMENT.—If a loss has been sustained by the Administration, any portion of the loss reserve, and other funds provided by the premier company as necessary, may be used to reimburse the Administration for the company's 10 percent share of the loss as provided in subsection (b)(2)(C). If the company utilizes the reserve, within 30 days it shall replace an equivalent amount of funds.

"(6) DISBURSEMENTS.—The Administration shall allow the certified development company to withdraw from the loss reserve amounts attributable to any debenture which has been repaid.";

(4) in subsection (f), by striking "State or local" and inserting "certified";

(5) in subsection (g), by striking the subsection heading and inserting the following:

"(g) EFFECT OF SUSPENSION OR REVOCATION.—";

(6) by striking subsection (h) and inserting the following:

"(h) PROGRAM GOALS.—Each certified development company participating in the program under this section shall establish a goal of processing a minimum of not less than 50 percent of the loan applications for assistance under section 504 pursuant to the program authorized under this section."; and

(7) in subsection (i), by striking "other lenders" and inserting "other lenders, specifically comparing default rates and recovery rates on liquidations".

(b) REGULATIONS.—The Administrator of the Small Business Administration shall—

(1) not later than 120 days after the date of enactment of this Act, promulgate regulations to carry out the amendments made by subsection (a); and

(2) not later than 150 days after the date of enactment of this Act, issue program guidelines and fully implement the amendments made by subsection (a).

(c) PROGRAM EXTENSION.—Section 217(b) of the Small Business Reauthorization and Amendments Act of 1994 (15 U.S.C. 697e note) is amended by striking "October 1, 1997" and inserting "October 1, 2000".

TITLE III—WOMEN'S BUSINESS ENTERPRISES

SEC. 301. INTERAGENCY COMMITTEE PARTICIPATION.

Section 403 of the Women's Business Ownership Act of 1988 (15 U.S.C. 631 note) is amended—

(1) in subsection (a)(1), by adding at the end the following:

"(K) The Department of Education.

"(L) The Environmental Protection Agency.

"(M) The Department of Energy.

"(N) The Administrator of the Office of Procurement Policy.

"(O) The National Aeronautics and Space Administration.";

(2) in subsection (a)(2)(A)—

(A) by striking "and Amendments Act of 1994" and inserting "Act of 1997"; and

(B) by inserting before the final period ", and who shall report directly to the head of the agency on the status of the activities of the Interagency Committee";

(3) in subsection (a)(2)(B), by inserting before the final period the following: "and shall report directly to the Administrator on the status of the activities on the Interagency Committee and shall serve as the Interagency Committee Liaison to the National Women's Business Council established under section 405"; and

(4) in subsection (b), by striking "and Amendments Act of 1994" and inserting "Act of 1997".

SEC. 302. REPORTS.

Section 404 of the Women's Business Ownership Act of 1988 (15 U.S.C. 631 note) is amended—

(1) by inserting ", through the Small Business Administration," after "transmit";

(2) by striking paragraph (1) and redesignating paragraphs (2) through (4) as paragraphs (1) through (3), respectively; and

(3) in paragraph (1), as redesignated, by inserting before the semicolon the following: ", including a status report on the progress of the Interagency Committee in meeting its responsibilities and duties under section 402(a)".

SEC. 303. COUNCIL DUTIES.

Section 406 of the Women's Business Ownership Act of 1988 (15 U.S.C. 631 note) is amended—

(1) in subsection (c), by inserting after "Administrator" the following: "(through the Assistant Administrator for the Office of Women's Business Ownership)"; and

(2) in subsection (d)—

(A) in paragraph (4), by striking "and" at the end;

(B) in paragraph (5), by striking the period at the end and inserting a semicolon; and

(C) by adding at the end the following:

"(6) submit to the President and to the Committee on Small Business of the Senate and the Committee on Small Business of the House of Representatives, an annual report containing—

"(A) a detailed description of the activities of the council, including a status report on the Council's progress toward meeting its duties outlined in subsections (a) and (d) of section 406;

"(B) the findings, conclusions, and recommendations of the Council; and

"(C) the Council's recommendations for such legislation and administrative actions as the Council considers appropriate to promote the development of small business concerns owned and controlled by women.

"(e) SUBMISSION OF REPORTS.—The annual report required by subsection (d) shall be submitted not later than 90 days after the end of each fiscal year.".

SEC. 304. COUNCIL MEMBERSHIP.

Section 407 of the Women's Business Ownership Act of 1988 (15 U.S.C. 631 note) is amended—

(1) in subsection (a), by striking "and Amendments Act of 1994" and inserting "Act of 1997";

(2) in subsection (b)—

(A) by striking "and Amendments Act of 1994" and inserting "Act of 1997";

(B) by inserting after "the Administrator shall" the following: ", after receiving the recommendations of the Chair and the Ranking Member of the Minority of the Committees on Small Business of the House of Representatives and the Senate, ";

(C) by striking "9" and inserting "14";

(D) in paragraph (1), by striking "2" and inserting "3";

(E) in paragraph (2)—

(i) by striking "2" and inserting "3"; and

(ii) by striking "and" at the end;

(F) in paragraph (3)—

(i) by striking "5" and inserting "6";

(ii) by striking "national"; and

(iii) by striking the period at the end and inserting the following: ", including representatives of Women's Business Center sites; and"; and

(G) by adding at the end the following:

"(4) 2 shall be representatives of businesses or educational institutions having an interest in women's entrepreneurship."; and

(3) in subsection (c), by inserting "(including both urban and rural areas)" after "geographic".

SEC. 305. AUTHORIZATION OF APPROPRIATIONS.

Section 409 of the Women's Business Ownership Act of 1988 (15 U.S.C. 631 note) is amended—

(1) by striking "1995 through 1997" and inserting "1998 through 2000"; and

(2) by striking "$350,000" and inserting "$400,000".

SEC. 306. WOMEN'S BUSINESS CENTERS.

(a) IN GENERAL.—Section 29 of the Small Business Act (15 U.S.C. 656) is amended to read as follows:

"SEC. 29. WOMEN'S BUSINESS CENTERS.

"(a) DEFINITIONS.—In this section—

"(1) the term 'small business concern owned and controlled by women', either startup or existing, includes any small business concern—

"(A) that is not less than 51 percent owned by 1 or more women; and

"(B) the management and daily business operations of which are controlled by 1 or more women; and

"(2) the term 'women's business center site' means the location of—

"(A) a women's business center; or

"(B) 1 or more women's business centers, established in conjunction with another women's business center in another location within a State or region—

"(i) that reach a distinct population that would otherwise not be served;

"(ii) whose services are targeted to women; and

"(iii) whose scope, function, and activities are similar to those of the primary women's business center or centers in conjunction with which it was established.

"(b) AUTHORITY.—The Administration may provide financial assistance to private organizations to conduct 5-year projects for the benefit of small business concerns owned and controlled by women. The projects shall provide—

"(1) financial assistance, including training and counseling in how to apply for and secure business credit and investment capital, preparing and presenting financial statements, and managing cash flow and other financial operations of a business concern;

"(2) management assistance, including training and counseling in how to plan, organize, staff, direct, and control each major activity and function of a small business concern; and

"(3) marketing assistance, including training and counseling in identifying and segmenting domestic and international market opportunities, preparing and executing marketing plans, developing pricing strategies, locating contract opportunities, negotiating contracts, and utilizing varying public relations and advertising techniques.

"(c) CONDITIONS OF PARTICIPATION.—

"(1) NON-FEDERAL CONTRIBUTIONS.—As a condition of receiving financial assistance authorized by this section, the recipient organization shall agree to obtain, after its application has been approved and notice of award has been issued, cash contributions from non-Federal sources as follows:

"(A) in the first, second, and third years, 1 non-Federal dollar for each 2 Federal dollars;

"(B) in the fourth year, 1 non-Federal dollar for each Federal dollar; and

"(C) in the fifth year, 2 non-Federal dollars for each Federal dollar.

"(2) FORM OF NON-FEDERAL CONTRIBUTIONS.—Not more than one-half of the non-Federal sector matching assistance may be in the form of in-kind contributions which are budget line items only, including but not limited to office equipment and office space.

"(3) FORM OF FEDERAL CONTRIBUTIONS.—The financial assistance authorized pursuant to this section may be made by grant, contract, or cooperative agreement and may contain such provision, as necessary, to provide for payments in lump sum or installments, and in advance or by way of reimbursement. The Administration may disburse up to 25 percent of each year's Federal share awarded to a recipient organization after notice of the award has been issued and before the non-Federal sector matching funds are obtained.

"(4) FAILURE TO OBTAIN PRIVATE FUNDING.—If any recipient of assistance fails to obtain the required non-Federal contribution during any project, it shall not be eligible thereafter for advance disbursements pursuant to paragraph (3) during the remainder of that project, or for any other project for which it is or may be funded by the Administration, and prior to approving assistance to such organization for any other projects, the Administration shall specifically determine whether the Administration believes that the recipient will be able to obtain the requisite non-Federal funding and enter a written finding setting forth the reasons for making such determination.

"(d) CONTRACT AUTHORITY.—A women's business center may enter into a contract with a Federal department or agency to provide specific assistance to women and other underserved small business concerns. Performance of such contract should not hinder the women's business centers in carrying out the terms of the grant received by the women's business centers from the Administration.

"(e) SUBMISSION OF 5-YEAR PLAN.—Each applicant organization initially shall submit a 5-year plan to the Administration on proposed fundraising and training activities, and a recipient organization may receive financial assistance under this program for a maximum of 5 years per women's business center site.

"(f) CRITERIA.—The Administration shall evaluate and rank applicants in accordance with predetermined selection criteria that shall be stated in terms of relative importance. Such criteria and their relative importance shall be made publicly available and stated in each solicitation for applications made by the Administration. The criteria shall include—

"(1) the experience of the applicant in conducting programs or ongoing efforts designed to impart or upgrade the business skills of women business owners or potential owners;

"(2) the present ability of the applicant to commence a project within a minimum amount of time;

"(3) the ability of the applicant to provide training and services to a representative number of women who are both socially and economically disadvantaged; and

"(4) the location for the women's business center site proposed by the applicant.

"(g) OFFICE OF WOMEN'S BUSINESS OWNERSHIP.—There is established within the Administration an Office of Women's Business Ownership, which shall be responsible for the administration of the Administration's programs for the development of women's business enterprises (as that term is defined in section 408 of the Women's Business Ownership Act of 1988). The Office of Women's Business Ownership shall be administered by an Assistant Administrator, who shall be appointed by the Administrator.

"(h) REPORT.—The Administrator shall prepare and submit an annual report to the Committees on Small Business of the House of Representatives and the Senate on the effectiveness of all projects conducted under the authority of this section. Such report shall provide information concerning—

"(1) the number of individuals receiving assistance;

"(2) the number of startup business concerns formed;

"(3) the gross receipts of assisted concerns;

"(4) increases or decreases in profits of assisted concerns; and

"(5) the employment increases or decreases of assisted concerns.

"(i) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated $8,000,000 per year to carry out the projects authorized by this section. Amounts appropriated pursuant to this subsection are to be used exclusively for grant awards and not for costs incurred by the Administration for the management and administration of the program. Notwithstanding any other provision of law, the Administration may use such expedited acquisition methods as it deems appropriate, through the Assistant Administrator of the Office of Women's Business Ownership, to achieve the purposes of this section, except that the Administration shall ensure that all eligible sources are provided a reasonable opportunity to submit proposals.".

(b) APPLICABILITY.—Any organization conducting a 3-year project under section 29 of the Small Business Act (15 U.S.C. 656) on the day before the date of enactment of this Act, may extend the term of that project to a total term of 5 years and receive financial assistance in accordance with section 29(c) of the Small Business Act (as amended by this title) subject to procedures established by the Administrator in coordination with the Office of Women's Business Ownership established under section 29 of the Small Business Act (15 U.S.C. 656) (as amended by this title).

SEC. 307. OFFICE OF WOMEN'S BUSINESS OWNERSHIP.

Section 29 of the Small Business Act (15 U.S.C. 656) is amended by adding at the end the following:

"(i) ASSISTANT ADMINISTRATOR FOR THE OFFICE OF WOMEN'S BUSINESS OWNERSHIP.—

"(1) QUALIFICATION.—The Assistant Administrator for the Office of Women's Business Ownership (hereafter in this section referred to as the 'Assistant Administrator') shall serve without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and without regard to chapter 51 and subchapter III of chapter 53 of title 5, United States Code, relating to classification and General Schedule pay rates, but at a rate of pay not to exceed the maximum of pay payable for a position at GS-17 of the General Schedule.

"(2) RESPONSIBILITIES AND DUTIES.—

"(A) RESPONSIBILITIES.—The responsibilities of the Assistant Administrator shall be to administer the programs and services of the Office of Women's Business Ownership established to assist women entrepreneurs in the areas of—

"(i) starting and operating a small business;

"(ii) development of management and technical skills;

"(iii) seeking Federal procurement opportunities; and

"(iv) increasing the opportunity for access to capital.

"(B) DUTIES.—Duties of the position of the Assistant Administrator shall include—

"(i) administering and managing the Women's Business Centers program;

"(ii) recommending the annual administrative and program budgets for the Office of Women's Business Ownership (including the budget for the Women's Business Centers);

"(iii) establishing appropriate funding levels therefore;

"(iv) reviewing the annual budgets submitted by each applicant for the Women's Business Center program;

"(v) selecting applicants to participate in this program;

"(vi) implementing this section;

"(vii) maintaining a clearinghouse to provide for the dissemination and exchange of information between Women's Business Centers;

"(viii) conducting program examinations of recipients of grants under this section;

"(ix) serving as the vice chairperson of the Interagency Committee on Women's Business Enterprise;

"(x) serving as liaison for the National Women's Business Council; and

"(xi) advising the Administrator on appointments to the Women's Business Council.

"(3) CONSULTATION REQUIREMENTS.—In carrying out the responsibilities and duties described in this subsection, the Assistant Administrator shall confer with and seek the advice of the Administration officials in areas served by the Women's Business Centers.

"(j) PROGRAM EXAMINATION.—

"(1) IN GENERAL.—Not later than 180 days after the date of enactment of this subsection, the Administration shall develop and implement an annual programmatic and financial examination of each Women's Business Center established pursuant to this section.

"(2) EXTENSION OF CONTRACTS.—In extending or renewing a contract with a Women's Business Center, the Administration shall consider the results of the examination conducted pursuant to paragraph (1).

"(k) CONTRACT AUTHORITY.—The authority of the Administration to enter into contracts shall be in effect for each fiscal year only to the extent and in the amounts as are provided in advance in appropriations Acts. After the Administration has entered a contract, either as a grant or a cooperative agreement, with any applicant under this section, it shall not suspend, terminate, or fail to renew or extend any such contract unless the Administration provides the applicant with written notification setting forth the reasons therefore and affording the applicant an opportunity for a hearing, appeal, or

other administrative proceeding under chapter 5 of title 5, United States Code.".

SEC. 308. NATIONAL WOMEN'S BUSINESS COUNCIL PROCUREMENT PROJECT.

(a) IN GENERAL.—The Women's Business Ownership Act of 1988 (15 U.S.C. 631 note) is amended by adding at the end the following:

"SEC. 410. NATIONAL WOMEN'S BUSINESS COUNCIL PROCUREMENT PROJECT.

"(a) PROCUREMENT PROJECT.—

"(1) FEDERAL PROCUREMENT STUDY.—

"(A) IN GENERAL.—The Council shall conduct a study on the award of Federal prime contracts and subcontracts to women-owned businesses, which study shall include—

"(i) an analysis of data collected by Federal agencies on contract awards to women-owned businesses;

"(ii) a determination of the degree to which individual Federal agencies are in compliance with the 5 percent women-owned business procurement goal established by section 15(g)(1) of the Small Business Act (15 U.S.C. 644(g)(1));

"(iii) a determination of the types and amounts of Federal contracts characteristically awarded to women-owned businesses; and

"(iv) other relevant information relating to participation of women-owned businesses in Federal procurement.

"(B) SUBMISSION OF RESULTS.—Not later than October 1, 1999, the Council shall submit to the Committees on Small Business of the House of Representatives and the Senate, and to the President, the results of the study conducted under subparagraph (A).

"(2) BEST PRACTICES REPORT.—Not later than March 1, 2000, the Council shall submit to the Committees on Small Business of the House of Representatives and the Senate, and to the President, a report, which shall include—

"(A) an analysis of the most successful practices in attracting women-owned businesses as prime contractors and subcontractors by—

"(i) Federal agencies (as supported by findings from the study required under subsection (a)(1)) in Federal procurement awards; and

"(ii) the private sector; and

"(B) recommendations for policy changes in Federal procurement practices, including an increase in the Federal procurement goal for women-owned businesses, in order to maximize the number of women-owned businesses performing Federal contracts.

"(b) CONTRACTING AUTHORITY.—In carrying out this section, the Council may contract with 1 or more public or private entities.

"(c) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section, not to exceed $200,000, to remain available until expended through fiscal year 2000.".

TITLE IV—COMPETITIVENESS PROGRAM AND PROCUREMENT OPPORTUNITIES

Subtitle A—Small Business Competitiveness Program

SEC. 401. PROGRAM TERM.

Section 711(c) of the Small Business Competitiveness Demonstration Program Act of 1988 (15 U.S.C. 644 note) is amended by striking "1997" and inserting "2000".

SEC. 402. MONITORING AGENCY PERFORMANCE.

Section 712(d)(1) of the Small Business Competitiveness Demonstration Program Act of 1988 (15 U.S.C. 644 note) is amended to read as follows:

"(1) Participating agencies shall monitor the attainment of their small business participation goals on an annual basis. An annual review by each participating agency shall be completed not later than January 31 of each year, based on the data for the preceding fiscal year, from October 1 through September 30.".

SEC. 403. REPORTS TO CONGRESS.

Section 716(a) of the Small Business Competitiveness Demonstration Program Act of 1988 (15 U.S.C. 644 note) is amended—

(1) by striking "1996" and inserting "2000";

(2) by striking "for Federal Procurement Policy" and inserting "of the Small Business Administration"; and

(3) by striking "Government Operations" and inserting "Government Reform and Oversight".

SEC. 404. SMALL BUSINESS PARTICIPATION IN DREDGING.

Section 722(a) of the Small Business Competitiveness Demonstration Program Act of 1988 (15 U.S.C. 644 note) is amended by striking "1996" and inserting "2000".

Subtitle B—Small Business Procurement Opportunities Program

SEC. 411. CONTRACT BUNDLING.

Section 2 of the Small Business Act (15 U.S.C. 631) is amended by adding at the end the following:

"(j) In complying with the statement of congressional policy expressed in subsection (a), relating to fostering the participation of small business concerns in the contracting opportunities of the Government, each Federal agency, to the maximum extent practicable, shall—

"(1) comply with congressional intent to foster the participation of small business concerns as prime contractors, subcontractors, and suppliers;

"(2) structure its contracting requirements to facilitate competition by and among small business concerns, taking all reasonable steps to eliminate obstacles to their participation; and

"(3) avoid unnecessary and unjustified bundling of contract requirements that precludes small business participation in procurements as prime contractors.".

SEC. 412. DEFINITION OF CONTRACT BUNDLING.

Section 3 of the Small Business Act (15 U.S.C. 632) is amended by adding at the end the following:

"(o) DEFINITIONS OF BUNDLING OF CONTRACT REQUIREMENTS AND RELATED TERMS.—In this Act—

"(1) The term 'bundling of contract requirements' means consolidating two or more procurement requirements for goods or services previously provided or performed under separate smaller contracts into a solicitation of offers for a single contract that is likely to be unsuitable for award to a small-business concern due to—

"(A) the diversity, size, or specialized nature of the elements of the performance specified;

"(B) the aggregate dollar value of the anticipated award;

"(C) the geographical dispersion of the contract performance sites; or

"(D) any combination of the factors described in subparagraphs (A), (B), and (C).

"(2) The term 'separate smaller contract', with respect to a bundling of contract requirements, means a contract that has been performed by one or more small business concerns or was suitable for award to one or more small business concerns.

"(3) The term 'bundled contract' means a contract that is entered into to meet requirements that are consolidated in a bundling of contract requirements.".

SEC. 413. ASSESSING PROPOSED CONTRACT BUNDLING.

(a) IN GENERAL.—Section 15 of the Small Business Act (15 U.S.C. 644) is amended by inserting after subsection (d) the following new subsection (e):

"(e) PROCUREMENT STRATEGIES; CONTRACT BUNDLING.—

"(1) IN GENERAL.—To the maximum extent practicable, procurement strategies used by the various agencies having contracting authority shall facilitate the maximum participation of small business concerns as prime contractors, subcontractors, and suppliers.

"(2) MARKET RESEARCH.—

"(A) IN GENERAL.—Before proceeding with an acquisition strategy that could lead to a contract containing consolidated procurement requirements, the head of an agency shall conduct market research to determine whether consolidation of the requirements is necessary and justified.

"(B) FACTORS.—For purposes of subparagraph (A), consolidation of the requirements may be determined as being necessary and justified if, as compared to the benefits that would be derived from contracting to meet those requirements if not consolidated, the Federal Government would derive from the consolidation measurably substantial benefits, including any combination of benefits that, in combination, are measurably substantial. Benefits described in the preceding sentence may include the following:

"(i) Cost savings.

"(ii) Quality improvements.

"(iii) Reduction in acquisition cycle times.

"(iv) Better terms and conditions.

"(v) Any other benefits.

"(C) REDUCTION OF COSTS NOT DETERMINATIVE.—The reduction of administrative or personnel costs alone shall not be a justification for bundling of contract requirements unless the cost savings are expected to be substantial in relation to the dollar value of the procurement requirements to be consolidated.

"(3) STRATEGY SPECIFICATIONS.—If the head of a contracting agency determines that a proposed procurement strategy for a procurement involves a substantial bundling of contract requirements, the proposed procurement strategy shall—

"(A) identify specifically the benefits anticipated to be derived from the bundling of contract requirements;

"(B) set forth an assessment of the specific impediments to participation by small business concerns as prime contractors that result from the bundling of contract requirements and specify actions designed to maximize small business participation as subcontractors (including suppliers) at various tiers under the contract or contracts that are awarded to meet the requirements; and

"(C) include a specific determination that the anticipated benefits of the proposed bundled contract justify its use.

"(4) CONTRACT TEAMING.—In the case of a solicitation of offers for a bundled contract that is issued by the head of an agency, a small-business concern may submit an offer that provides for use of a particular team of subcontractors for the performance of the contract. The head of the agency shall evaluate the offer in the same manner as other offers, with due consideration to the capabilities of all of the proposed subcontractors. When a small business concern teams under this paragraph, it shall not affect its status as a small business concern for any other purpose.".

(b) ADMINISTRATION REVIEW.—The third sentence of subsection (a) of such section is amended—

(1) by inserting after "discrete construction projects," the following: "or the solicitation involves an unnecessary or unjustified bundling of contract requirements, as determined by the Administration,";

(2) by striking out "or (4)" and inserting in lieu thereof "(4)"; and

(3) by inserting before the period at the end the following: ", or (5) why the agency has determined that the bundled contract (as defined in section 3(o)) is necessary and justified".

(c) RESPONSIBILITIES OF AGENCY SMALL BUSINESS ADVOCATES.—Subsection (k) of such section is amended—

(1) by redesignating paragraphs (5) through (9) as paragraphs (6) through (10), respectively; and

(2) by inserting after paragraph (4) the following:

"(5) identify proposed solicitations that involve significant bundling of contract requirements, and work with the agency acquisition officials and the Administration to revise the procurement strategies for such proposed solicitations where appropriate to increase the probability of participation by small businesses as prime contractors, or to facilitate small business participation as subcontractors and suppliers, if a solicitation for a bundled contract is to be issued;".

SEC. 414. REPORTING OF BUNDLED CONTRACT OPPORTUNITIES.

(a) DATA COLLECTION REQUIRED.—The Federal Procurement Data System described in section 6(d)(4)(A) of the Office of Federal Procurement Policy Act (41 U.S.C. 405(d)(4)(A)) shall be modified to collect data regarding bundling of contract requirements when the contracting officer anticipates that the resulting contract price, including all options, is expected to exceed $5,000,000. The data shall reflect a determination made by the contracting officer regarding whether a particular solicitation constitutes a contract bundling.

(b) DEFINITIONS.—In this section, the term "bundling of contract requirements" has the meaning given that term in section 3(o) of the Small Business Act (15 U.S.C. 632(o)) (as added by section 412 of this title).

SEC. 415. EVALUATING SUBCONTRACT PARTICIPATION IN AWARDING CONTRACTS.

Section 8(d)(4) of the Small Business Act (15 U.S.C. 637(d)(4)) is amended by adding at the end the following:

"(G) The following factors shall be designated by the Federal agency as significant factors for purposes of evaluating offers for a bundled contract where the head of the agency determines that the contract offers a significant opportunity for subcontracting:

"(i) A factor that is based on the rate provided under the subcontracting plan for small business participation in the performance of the contract.

"(ii) For the evaluation of past performance of an offeror, a factor that is based on the extent to which the offeror attained applicable goals for small business participation in the performance of contracts.".

SEC. 416. IMPROVED NOTICE OF SUBCONTRACTING OPPORTUNITIES.

(a) USE OF THE COMMERCE BUSINESS DAILY AUTHORIZED.—Section 8 of the Small Business Act (15 U.S.C. 637) is amended by adding at the end the following:

"(k) NOTICES OF SUBCONTRACTING OPPORTUNITIES.—

"(1) IN GENERAL.—Notices of subcontracting opportunities may be submitted for publication in the Commerce Business Daily by—

"(A) a business concern awarded a contract by an executive agency subject to subsection (e)(1)(C); and

"(B) a business concern which is a subcontractor or supplier (at any tier) to such contractor having a subcontracting opportunity in excess of $10,000.

"(2) CONTENT OF NOTICE.—The notice of a subcontracting opportunity shall include—

"(A) a description of the business opportunity that is comparable to the description specified in paragraphs (1), (2), (3), and (4) of subsection (f); and

"(B) the due date for receipt of offers.".

(b) REGULATIONS REQUIRED.—The Federal Acquisition Regulation shall be amended to provide uniform implementation of the amendments made by this section.

(c) CONFORMING AMENDMENT.—Section 8(e)(1)(C) of the Small Business Act (15 U.S.C. 637(e)(1)(C)) is amended by striking "$25,000" each place that term appears and inserting "$100,000".

SEC. 417. DEADLINES FOR ISSUANCE OF REGULATIONS.

(a) PROPOSED REGULATIONS.—Proposed amendments to the Federal Acquisition Regulation or proposed Small Business Administration regulations under this subtitle and the amendments made by this subtitle shall be published not later than 120 days after the date of enactment of this Act for the purpose of obtaining public comment pursuant to section 22 of the Office of Federal Procurement Policy Act (41 U.S.C. 418b), or chapter 5 of title 5, United States Code, as appropriate. The public shall be afforded not less than 60 days to submit comments.

(b) FINAL REGULATIONS.—Final regulations shall be published not later than 270 days after the date of enactment of this Act. The effective date for such final regulations shall be not less than 30 days after the date of publication.

TITLE V—MISCELLANEOUS PROVISIONS

SEC. 501. SMALL BUSINESS TECHNOLOGY TRANSFER PROGRAM.

(a) REQUIRED EXPENDITURES.—Section 9(n) of the Small Business Act (15 U.S.C. 638(n)) is amended by striking paragraph (1) and inserting the following:

"(1) REQUIRED EXPENDITURE AMOUNTS.—With respect to fiscal years 1998, 1999, 2000, 2001, 2002, or 2003, each Federal agency that has an extramural budget for research, or research and development, in excess of $1,000,000,000 for that fiscal year, is authorized to expend with small business concerns not less than 0.15 percent of that extramural budget specifically in connection with STTR programs that meet the requirements of this section and any policy directives and regulations issued under this section.".

(b) PILOT PROGRAM.—

(1) IN GENERAL.—Section 9 of the Small Business Act (15 U.S.C. 638) is amended by adding at the end the following:

"(s) PILOT PROGRAM.—

"(1) DEFINITION OF ELIGIBLE STATE.—In this subsection, the term 'eligible State' means a State—

"(A) if the total value of contracts awarded to the State during fiscal year 1995 under this section was less than $5,000,000; and

"(B) that certifies to the Federal agency described in paragraph (2) that the State will, upon receipt of assistance under this subsection, provide matching funds from non-Federal sources in an amount that is not less than 50 percent of the amount provided under this subsection.

"(2) PROGRAM AUTHORITY.—Of amounts made available to carry out this section for fiscal year 1998, 1999, or 2000, the Administrator may expend with eligible States not more than $2,000,000 in each such fiscal year in order to increase the participation of small business concerns located in those States in the programs under this section.

"(3) AMOUNT OF ASSISTANCE.—The amount of assistance provided to an eligible State under this subsection in any fiscal year—

"(A) shall be equal to twice the total amount of matching funds from non-Federal sources provided by the State; and

"(B) shall not exceed $100,000.

"(4) USE OF ASSISTANCE.—Assistance provided to an eligible State under this subsection shall be used by the State, in consultation with State and local departments and agencies, for programs and activities to increase the participation of small business concerns located in the State in the programs under this section, including—

"(A) the establishment of quantifiable performance goals, including goals relating to—

"(i) the number of program awards under this section made to small business concerns in the State; and

"(ii) the total amount of Federal research and development contracts awarded to small business concerns in the State;

"(B) the provision of competition outreach support to small business concerns in the State that are involved in research and development; and

"(C) the development and dissemination of educational and promotional information relating to the programs under this section to small business concerns in the State.".

(2) REPEAL.—Effective October 1, 2000, section 9(s) of the Small Business Act (as added by paragraph (1) of this subsection) is repealed.

SEC. 502. SMALL BUSINESS DEVELOPMENT CENTERS.

(a) IN GENERAL.—Section 21(a) of the Small Business Act (15 U.S.C. 648(a)) is amended—

(1) in paragraph (1)—

(A) by inserting "any women's business center operating pursuant to section 29," after "credit or finance corporation,";

(B) by inserting "or a women's business center operating pursuant to section 29" after "other than an institution of higher education"; and

(C) by inserting "and women's business centers operating pursuant to section 29" after "utilize institutions of higher education";

(2) in paragraph (3)—

(A) by striking ", but with" and all that follows through "parties." and inserting the following: "for the delivery of programs and services to the Small Business community. Such programs and services shall be jointly developed, negotiated, and agreed upon, with full participation of both parties, pursuant to an executed cooperative agreement between the Small Business Development Center applicant and the Administration."; and

(B) by adding at the end the following:

"(C) On an annual basis, the Small Business Development Center shall review and coordinate public and private partnerships and cosponsorships with the Administration for the purpose of more efficiently leveraging available resources on a National and a State basis.";

(3) in paragraph (4)(C)—

(A) by striking clause (i) and inserting the following:

"(i) IN GENERAL.—

"(I) GRANT AMOUNT.—Subject to subclause (II), the amount of a grant received by a State under this section shall be equal to the greater of $500,000, or the sum of—

"(aa) the State's pro rata share of the national program, based upon the population of the State as compared to the total population of the United States; and

"(bb) $300,000 in fiscal year 1998, $400,000 in fiscal year 1999, and $500,000 in each fiscal year thereafter.

"(II) PRO RATA REDUCTIONS.—If the amount made available to carry out this section for any fiscal year is insufficient to carry out subclause (I), the Administration shall make pro rata reductions in the amounts otherwise payable to States under this clause."; and

(B) in clause (iii), by striking "(iii)" and all that follows through "1997." and inserting the following:

"(iii) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out the national program under this section—

"(I) $85,000,000 for fiscal year 1998;

"(II) $90,000,000 for fiscal year 1999; and

"(III) $95,000,000 for fiscal year 2000 and each fiscal year thereafter."; and

(4) in paragraph (6)—

(A) in subparagraph (A), by striking "and" at the end;

(B) in subparagraph (B), by striking the comma at the end and inserting "; and"; and

(C) inserting after subparagraph (B) the following:

"(C) with outreach, development, and enhancement of minority-owned small business startups or expansions, veteran-owned small business startups or expansions, and women-owned small business startups or expansions, in communities impacted by base closings or military or corporate downsizing, or in rural or underserved communities;".

(b) SBDC SERVICES.—Section 21(c) of the Small Business Act (15 U.S.C. 648(c)) is amended—

(1) in paragraph (3)—

(A) in subparagraph (A), by striking "businesses;" and inserting "businesses, including—

"(i) working with individuals to increase awareness of basic credit practices and credit requirements;

"(ii) working with individuals to development business plans, financial packages, credit applications, and contract proposals;

"(iii) working with the Administration to develop and provide informational tools for use in working with individuals on pre-business startup planning, existing business expansion, and export planning; and

"(iv) working with individuals referred by the local offices of the Administration and Administration participating lenders;";

(B) in each of subparagraphs (B), (C), (D), (E), (F), (G), (M), (N), (O), (Q), and (R) by moving each margin two ems to the right;

(C) in subparagraph (C), by inserting "and the Administration" after "Center";

(D) by striking subparagraph (H), and inserting the following:

"(H) working with the technical and environmental compliance assistance programs established in each State under section 507 of the Clean Air Act Amendments of 1970, or State pollution prevention programs to notify small businesses through outreach programs of regulations that affect small businesses and making counseling, conferences, and materials available on methods of compliance;";

(E) in subparagraph (Q), by striking "and" at the end;

(F) in subparagraph (R), by striking the period at the end and inserting "; and"; and

(G) by inserting after subparagraph (R) the following:

"(S) providing counseling and technology development when necessary to help small businesses find solutions for complying with environmental, energy, health, safety, and other Federal, State, and local regulation including cooperating with the technical and environmental compliance assistance programs established in each State under section 507 of the Clean Air Act Amendments of 1970 or State pollution prevention programs in the provision of counseling and technology development to help small businesses find solutions for complying with environmental regulations.";

(2) in paragraph (5)—

(A) by moving the margin 2 ems to the right;

(B) by striking "paragraph (a)(1)" and inserting "subsection (a)(1)";

(C) by striking "which ever" and inserting "whichever"; and

(D) by striking "last,," and inserting "last,";

(3) by redesignating paragraphs (4) through (7) as paragraphs (5) through (8), respectively; and

(4) in paragraph (3), in the undesignated material following subparagraph (S) (as added by this subsection), by striking "A small" and inserting the following:

"(4) A small".

(c) COMPETITIVE AWARDS.—Section 21(l) of the Small Business Act (15 U.S.C. 648(l)) is amended by adding at the end the following: "If any contract under this section with an entity that is in compliance with this section is not renewed or extended, any award of a contract under this section to another entity shall be made on a competitive basis.".

(d) PROHIBITION ON CERTAIN FEES.—Section 21 of the Small Business Act (15 U.S.C. 648) is amended by adding at the end the following:

"(m) PROHIBITION ON CERTAIN FEES.—A small business development center shall not impose or otherwise collect a fee or other compensation in connection with the provision of counseling services under this section.".

SEC. 503. PILOT PREFERRED SURETY BOND GUARANTEE PROGRAM EXTENSION.

Section 207 of the Small Business Administration Reauthorization and Amendment Act of 1988 (15 U.S.C. 694b note) is amended by striking "September 30, 1997" and inserting "September 30, 2000".

SEC. 504. EXTENSION OF COSPONSORSHIP AUTHORITY.

Section 401(a)(2) of the Small Business Administration Reauthorization and Amendments Act of 1994 (15 U.S.C. 637 note) is amended by striking "September 30, 1997" and inserting "September 30, 2000".

SEC. 505. ASSET SALES.

In connection with the Administration's implementation of a program to sell to the private sector loans and other assets held by the Administration, the Administration shall provide to the Committees on Small Business in the Senate and House of Representatives a copy of the draft and final plans describing the sale and the anticipated benefits resulting from such sale.

SEC. 506. SMALL BUSINESS EXPORT PROMOTION.

(a) IN GENERAL.—Section 21(c)(3) of the Small Business Act (15 U.S.C. 648(c)(3)) is amended—

(1) in subparagraph (Q), by striking "and" at the end;

(2) in subparagraph (B), by striking the period at the end and inserting "; and"; and

(3) by inserting after subparagraph (R) the following:

"(S) providing small business owners with access to a wide variety of export-related information by establishing on-line computer linkages between small business development centers and an international trade data information network with ties to the Export Assistance Center program.".

(b) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out section 21(c)(3)(S) of the Small Business Act (15 U.S.C. 648(c)(3)(S)), as added by this section, $1,500,000 for each fiscal years 1998 and 1999.

SEC. 507. DEFENSE LOAN AND TECHNICAL ASSISTANCE PROGRAM.

(a) DELTA PROGRAM AUTHORIZED.—

(1) IN GENERAL.—The Administrator of the Small Business Administration may administer the Defense Loan and Technical Assistance program in accordance with the authority and requirements of this section.

(2) EXPIRATION OF AUTHORITY.—The authority of the Administrator to carry out the DELTA program under paragraph (1) shall terminate when the funds referred to in subsection (g)(1) have been expended.

(3) DELTA PROGRAM DEFINED.—In this section, the terms "Defense Loan and Technical Assistance program" and "DELTA program" mean the Defense Loan and Technical Assistance program that has been established by a memorandum of understanding entered into by the Administrator and the Secretary of Defense on June 26, 1995.

(b) ASSISTANCE.—

(1) AUTHORITY.—Under the DELTA program, the Administrator may assist small business concerns that are economically dependent on defense expenditures to acquire dual-use capabilities.

(2) FORMS OF ASSISTANCE.—Forms of assistance authorized under paragraph (1) are as follows:

(A) LOAN GUARANTEES.—Loan guarantees under the terms and conditions specified under this section and other applicable law.

(B) NONFINANCIAL ASSISTANCE.—Other forms of assistance that are not financial.

(c) ADMINISTRATION OF PROGRAM.—In the administration of the DELTA program under this section, the Administrator shall—

(1) process applications for DELTA program loan guarantees;

(2) guarantee repayment of the resulting loans in accordance with this section; and

(3) take such other actions as are necessary to administer the program.

(d) SELECTION AND ELIGIBILITY REQUIREMENTS FOR DELTA LOAN GUARANTEES.—

(1) IN GENERAL.—The selection criteria and eligibility requirements set forth in this subsection shall be applied in the selection of small business concerns to receive loan guarantees under the DELTA program.

(2) SELECTION CRITERIA.—The criteria used for the selection of a small business concern to receive a loan guarantee under this section are as follows:

(A) The selection criteria established under the memorandum of understanding referred to in subsection (a)(3).

(B) The extent to which the loans to be guaranteed would support the retention of defense workers whose employment would otherwise be permanently or temporarily terminated as a result of reductions in expenditures by the United States for defense, the termination or cancellation of a defense contract, the failure to proceed with an approved major weapon system, the merger or consolidation of the operations of a defense contractor, or the closure or realignment of a military installation.

(C) The extent to which the loans to be guaranteed would stimulate job creation and new economic activities in communities

most adversely affected by reductions in expenditures by the United States for defense, the termination or cancellation of a defense contract, the failure to proceed with an approved major weapon system, the merger or consolidation of the operations of a defense contractor, or the closure or realignment of a military installation.

(D) The extent to which the loans to be guaranteed would be used to acquire (or permit the use of other funds to acquire) capital equipment to modernize or expand the facilities of the borrower to enable the borrower to remain in the national technology and industrial base available to the Department of Defense.

(3) ELIGIBILITY REQUIREMENTS.—To be eligible for a loan guarantee under the DELTA program, a borrower must demonstrate to the satisfaction of the Administrator that, during any 1 of the 5 preceding operating years of the borrower, not less than 25 percent of the value of the borrower's sales were derived from—

(A) contracts with the Department of Defense or the defense-related activities of the Department of Energy; or

(B) subcontracts in support of defense-related prime contracts.

(e) MAXIMUM AMOUNT OF LOAN PRINCIPAL.—The maximum amount of loan principal for which the Administrator may provide a guarantee under this section during a fiscal year may not exceed $1,250,000.

(f) LOAN GUARANTY RATE.—The maximum allowable guarantee percentage for loans guaranteed under this section may not exceed 80 percent.

(g) FUNDING.—

(1) IN GENERAL.—The funds that have been made available for loan guarantees under the DELTA program and have been transferred from the Department of Defense to the Small Business Administration before the date of the enactment of this Act shall be used for carrying out the DELTA program under this section.

(2) CONTINUED AVAILABILITY OF EXISTING FUNDS.—The funds made available under the second proviso under the heading "RESEARCH, DEVELOPMENT, TEST AND EVALUATION, DEFENSE-WIDE" in Public Law 103-335 (108 Stat. 2613) shall be available until expended—

(A) to cover the costs (as defined in section 502(5) of the Federal Credit Reform Act of 1990 (2 U.S.C. 661a(5))) of loan guarantees issued under this section; and

(B) to cover the reasonable costs of the administration of the loan guarantees.

TITLE VI—HUBZONE PROGRAM

SEC. 601. SHORT TITLE.

This title may be cited as the "HUBZone Act of 1997".

SEC. 602. HISTORICALLY UNDERUTILIZED BUSINESS ZONES.

(a) DEFINITIONS.—Section 3 of the Small Business Act (15 U.S.C. 632) (as amended by section 412 of this Act) is amended by adding at the end the following:

"(p) DEFINITIONS RELATING TO HUBZONES.—In this Act:

"(1) HISTORICALLY UNDERUTILIZED BUSINESS ZONE.—The term 'historically underutilized business zone' means any area located within 1 or more—

"(A) qualified census tracts;

"(B) qualified nonmetropolitan counties; or

"(C) lands within the external boundaries of an Indian reservation.

"(2) HUBZONE.—The term 'HUBZone' means a historically underutilized business zone.

"(3) HUBZONE SMALL BUSINESS CONCERN.—The term 'HUBZone small business concern' means a small business concern—

"(A) that is owned and controlled by 1 or more persons, each of whom is a United States citizen; and

"(B) the principal office of which is located in a HUBZone; or

"(4) QUALIFIED AREAS.—

"(A) QUALIFIED CENSUS TRACT.—The term 'qualified census tract' has the meaning given that term in section 42(d)(5)(C)(i)(I) of the Internal Revenue Code of 1986.

"(B) QUALIFIED NONMETROPOLITAN COUNTY.—The term 'qualified nonmetropolitan county' means any county—

"(i) that, based on the most recent data available from the Bureau of the Census of the Department of Commerce—

"(I) is not located in a metropolitan statistical area (as that term is defined in section 143(k)(2)(B) of the Internal Revenue Code of 1986); and

"(II) in which the median household income is less than 80 percent of the nonmetropolitan State median household income; or

"(ii) that, based on the most recent data available from the Secretary of Labor, has an unemployment rate that is not less than 140 percent of the statewide average unemployment rate for the State in which the county is located.

"(5) QUALIFIED HUBZONE SMALL BUSINESS CONCERN.—

"(A) IN GENERAL.—A HUBZone small business concern is 'qualified', if—

"(i) the small business concern has certified in writing to the Administrator (or the Administrator otherwise determines, based on information submitted to the Administrator by the small business concern, or based on certification procedures, which shall be established by the Administration by regulation) that—

"(I) it is a HUBZone small business concern;

"(II) not less than 35 percent of the employees of the small business concern reside in a HUBZone, and the small business concern will attempt to maintain this employment percentage during the performance of any contract awarded to the small business concern on the basis of a preference provided under section 31(b); and

"(III) with respect to any subcontract entered into by the small business concern pursuant to a contract awarded to the small business concern under section 31, the small business concern will ensure that—

"(aa) in the case of a contract for services (except construction), not less than 50 percent of the cost of contract performance incurred for personnel will be expended for its employees or for employees of other HUBZone small business concerns; and

"(bb) in the case of a contract for procurement of supplies (other than procurement from a regular dealer in such supplies), not less than 50 percent of the cost of manufacturing the supplies (not including the cost of materials) will be incurred in connection with the performance of the contract in a HUBZone by 1 or more HUBZone small business concerns; and

"(ii) no certification made or information provided by the small business concern under clause (i) has been, in accordance with the procedures established under section 31(c)(1)—

"(I) successfully challenged by an interested party; or

"(II) otherwise determined by the Administrator to be materially false.

"(B) CHANGE IN PERCENTAGES.—The Administrator may utilize a percentage other than the percentage specified in under subclause (IV) or (V) of subparagraph (A)(i), if the Administrator determines that such action is necessary to reflect conventional industry practices among small business concerns that are below the numerical size standard for businesses in that industry category.

"(C) CONSTRUCTION AND OTHER CONTRACTS.—The Administrator shall promulgate final regulations imposing requirements that are similar to those specified in subclauses (IV) and (V) of subparagraph (A)(i) on contracts for general and specialty construction, and on contracts for any other industry category that would not otherwise be subject to those requirements. The percentage applicable to any such requirement shall be determined in accordance with subparagraph (B).

"(D) LIST OF QUALIFIED SMALL BUSINESS CONCERNS.—The Administrator shall establish and maintain a list of qualified HUBZone small business concerns, which list shall, to the extent practicable—

"(i) include the name, address, and type of business with respect to each such small business concern;

"(ii) be updated by the Administrator not less than annually; and

"(iii) be provided upon request to any Federal agency or other entity.".

(b) FEDERAL CONTRACTING.—

(1) IN GENERAL.—The Small Business Act (15 U.S.C. 631 et seq.) is amended—

(A) by redesignating section 31 as section 32; and

(B) by inserting after section 30 the following:

"SEC. 31. HUBZONE PROGRAM.

"(a) IN GENERAL.—There is established within the Administration a program to be carried out by the Administrator to provide for Federal contracting assistance to qualified HUBZone small business concerns in accordance with this section.

"(b) ELIGIBLE CONTRACTS.—

"(1) DEFINITIONS.—In this subsection—

"(A) the term 'contracting officer' has the meaning given that term in section 27(f)(5) of the Office of Federal Procurement Policy Act (41 U.S.C. 423(f)(5)); and

"(B) the terms 'executive agency' and 'full and open competition' have the meanings given such terms in section 4 of the Office of Federal Procurement Policy Act (41 U.S.C. 403).

"(2) REQUIREMENTS.—Subject to paragraph (3), a contract opportunity offered for award pursuant to this section shall be awarded on the basis of competition restricted to qualified HUBZone small business concerns, if there is a reasonable expectation that not less than 2 qualified HUBZone small business concerns will submit offers and that award can be made at a fair market price.

"(3) ALTERNATE AUTHORITY.—Notwithstanding any other provision of law, a contracting officer may award sole source contracts under this section to any qualified HUBZone small business concern, if—

"(A) the qualified HUBZone small business concern is determined to be a responsible contractor with respect to performance of such contract opportunity;

"(B) the anticipated award price of the contract (including options) will not exceed—

"(i) $5,000,000, in the case of a contract opportunity assigned a standard industrial classification code for manufacturing; or

"(ii) $3,000,000, in the case of all other contract opportunities; and

"(C) in the estimation of the contracting officer, the contract award can be made at a fair and reasonable price.

"(4) PRICE EVALUATION PREFERENCE IN FULL AND OPEN COMPETITIONS.—In any case in which a contract is to be awarded on the basis of full and open competition, the price offered by a small business concern shall be deemed as being lower than the price offered by another offeror (other than another small business concern), if the price offered by the qualified HUBZone small business concern is not more than 10 percent higher than the price offered by the otherwise lowest, responsive, and responsible offeror.

"(5) RELATIONSHIP TO OTHER CONTRACTING PREFERENCES.—

"(A) SUBORDINATE RELATIONSHIP.—A procurement may not be made from a source on the basis of a preference provided in paragraph (2), (3), or (4), if the procurement would otherwise be made from a different source under section 4124 or 4125 of title 18, United States Code, or the Javits-Wagner-O'Day Act.

"(B) PARITY RELATIONSHIP.—The provisions of paragraphs (2), (3), and (4) shall not limit the discretion of a contracting officer to let any procurement contract to the Administration under section 8(a). Notwithstanding section 8(a), the Administration may not appeal an adverse decision of any contracting officer declining to let a procurement contract to the Administration, if the procurement is made to a qualified HUBZone small business concern on the basis of a preference under paragraph (2), (3), or (4).

"(c) ENFORCEMENT; PENALTIES.—

"(1) VERIFICATION OF ELIGIBILITY.—In carrying out this section, the Administrator shall establish procedures relating to—

"(A) the filing, investigation, and disposition by the Administration of any challenge to the eligibility of a small business concern to receive assistance under this section (including a challenge, filed by an interested party, relating to the veracity of a certification made or information provided to the Administration by a small business concern under section 3(p)(5)); and

"(B) verification by the Administrator of the accuracy of any certification made or information provided to the Administration by a small business concern under section 3(p)(5).

"(2) EXAMINATIONS.—The procedures established under paragraph (1) may provide for program examinations (including random program examinations) by the Administrator of any small business concern making a certification or providing information to the Administrator under section 3(p)(5).

"(3) PROVISION OF DATA.—Upon the request of the Administrator, the Secretary of Labor, the Secretary of Housing and Urban Development, and the Secretary of the Interior (or the Assistant Secretary for Indian Affairs), shall promptly provide to the Administrator such information as the Administrator determines to be necessary to carry out this subsection.

"(4) PENALTIES.—In addition to the penalties described in section 16(d), any small business concern that is determined by the Administrator to have misrepresented the status of that concern as a 'HUBZone small business concern' for purposes of this section, shall be subject to—

"(A) section 1001 of title 18, United States Code; and

"(B) sections 3729 through 3733 of title 31, United States Code.".

(2) INITIAL LIMITED APPLICABILITY.—During the period beginning on the date of enactment of this Act and ending on September 30, 2000, section 31 of the Small Business Act (as added by paragraph (1) of this subsection) shall apply only to procurements by—

(A) the Department of Defense;

(B) the Department of Agriculture;

(C) the Department of Health and Human Services;

(D) the Department of Transportation;

(E) the Department of Energy;

(F) the Department of Housing and Urban Development;

(G) the Environmental Protection Agency;

(H) the National Aeronautics and Space Administration;

(I) the General Services Administration; and

(J) the Department of Veterans Affairs.

SEC. 603. TECHNICAL AND CONFORMING AMENDMENTS TO THE SMALL BUSINESS ACT.

(a) PERFORMANCE OF CONTRACTS.—Section 8(d) of the Small Business Act (15 U.S.C. 637(d)) is amended—

(1) in paragraph (1)—

(A) in the first sentence, by striking "small business concerns owned and controlled by socially and economically disadvantaged individuals" and inserting ", qualified HUBZone small business concerns, small business concerns owned and controlled by socially and economically disadvantaged individuals"; and

(B) in the second sentence, by inserting "qualified HUBZone small business concerns," after "small business concerns,";

(2) in paragraph (3)—

(A) by inserting "qualified HUBZone small business concerns," after "small business concerns," each place that term appears; and

(B) by adding at the end the following:

"(F) In this contract, the term 'qualified HUBZone small business concern' has the meaning given that term in section 3(p) of the Small Business Act.";

(3) in paragraph (4)(E), by striking "small business concerns and" and inserting "small business concerns, qualified HUBZone small business concerns, and";

(4) in paragraph (6), by inserting "qualified HUBZone small business concerns," after "small business concerns," each place that term appears; and

(5) in paragraph (10), by inserting "qualified HUBZone small business concerns," after "small business concerns,".

(b) AWARDS OF CONTRACTS.—Section 15 of the Small Business Act (15 U.S.C. 644) is amended—

(1) in subsection (g)(1)—

(A) by inserting "qualified HUBZone small business concerns," after "small business concerns," each place that term appears;

(B) in the second sentence, by striking "20 percent" and inserting "23 percent"; and

(C) by inserting after the second sentence the following: "The Governmentwide goal for participation by qualified HUBZone small business concerns shall be established at not less than 1 percent of the total value of all prime contract awards for fiscal year 1999, not less than 1.5 percent of the total value of all prime contract awards for fiscal year 2000, not less than 2 percent of the total value of all prime contract awards for fiscal year 2001, not less than 2.5 percent of the total value of all prime contract awards for fiscal year 2002, and not less than 3 percent of the total value of all prime contract awards for fiscal year 2003 and each fiscal year thereafter.";

(2) in subsection (g)(2)—

(A) in the first sentence, by striking ", by small business concerns owned and controlled by socially and economically disadvantaged individuals" and inserting ", by qualified HUBZone small business concerns, by small business concerns owned and controlled by socially and economically disadvantaged individuals";

(B) in the second sentence, by inserting "qualified HUBZone small business concerns," after "small business concerns,"; and

(C) in the fourth sentence, by striking "by small business concerns owned and controlled by socially and economically disadvantaged individuals and participation by small business concerns owned and controlled by women" and inserting "by qualified HUBZone small business concerns, by small business concerns owned and controlled by socially and economically disadvantaged individuals, and by small business concerns owned and controlled by women"; and

(3) in subsection (h), by inserting "qualified HUBZone small business concerns," after "small business concerns," each place that term appears.

(c) OFFENSES AND PENALTIES.—Section 16 of the Small Business Act (15 U.S.C. 645) is amended—

(1) in subsection (d)(1)—

(A) by inserting ", a 'qualified HUBZone small business concern'," after "'small business concern',"; and

(B) in subparagraph (A), by striking "section 9 or 15" and inserting "section 9, 15, or 31"; and

(2) in subsection (e), by inserting ", a 'HUBZone small business concern'," after "'small business concern',".

SEC. 604. OTHER TECHNICAL AND CONFORMING AMENDMENTS.

(a) TITLE 10, UNITED STATES CODE.—Section 2323 of title 10, United States Code, is amended—

(1) in subsection (a)(1)(A), by inserting before the semicolon the following: ", and qualified HUBZone small business concerns (as that term is defined in section 3(p) of the Small Business Act)"; and

(2) in subsection (f)(1), by inserting "or as a qualified HUBZone small business concern (as that term is defined in section 3(p) of the Small Business Act)" after "(as described in subsection (a))".

(b) FEDERAL HOME LOAN BANK ACT.—Section 21A(b)(13) of the Federal Home Loan Bank Act (12 U.S.C. 1441a(b)(13)) is amended—

(1) by striking "concerns and small" and inserting "concerns, small"; and

(2) by inserting ", and qualified HUBZone small business concerns (as that term is defined in section 3(p) of the Small Business Act)" after "disadvantaged individuals".

(c) SMALL BUSINESS ECONOMIC POLICY ACT OF 1980.—Section 303(e) of the Small Business Economic Policy Act of 1980 (15 U.S.C. 631b(e)) is amended—

(1) in paragraph (1), by striking "and" at the end;

(2) in paragraph (2), by striking the period at the end and inserting "; and"; and

(3) by adding at the end the following:

"(3) qualified HUBZone small business concern (as that term is defined in section 3(p) of the Small Business Act).".

(d) SMALL BUSINESS INVESTMENT ACT OF 1958.—Section 411(c)(3)(B) of the Small Business Investment Act of 1958 (15 U.S.C. 694b(c)(3)(B)) is amended by inserting before the semicolon the following: ", or to a qualified HUBZone small business concern, as that term is defined in section 3(p) of the Small Business Act".

(e) TITLE 31, UNITED STATES CODE.—

(1) CONTRACTS FOR COLLECTION SERVICES.—Section 3718(b) of title 31, United States Code, is amended—

(A) in paragraph (1)(B), by inserting "and law firms that are qualified HUBZone small

business concerns (as that term is defined in section 3(p) of the Small Business Act)" after "disadvantaged individuals"; and

(B) in paragraph (3)—

(i) in the first sentence, by inserting before the period "and law firms that are qualified HUBZone small business concerns";

(ii) in subparagraph (A), by striking "and" at the end;

(iii) in subparagraph (B), by striking the period at the end and inserting "; and"; and

(iv) by adding at the end the following:

"(C) the term 'qualified HUBZone small business concern' has the meaning given that term in section 3(p) of the Small Business Act.".

(2) PAYMENTS TO LOCAL GOVERNMENTS.—Section 6701(f) of title 31, United States Code, is amended—

(A) in paragraph (1)—

(i) in subparagraph (A), by striking "and" at the end;

(ii) in subparagraph (B), by striking the period at the end and inserting "; and"; and

(iii) by adding at the end the following:

"(C) qualified HUBZone small business concerns."; and

(B) in paragraph (3)—

(i) in subparagraph (A), by striking "and" at the end;

(ii) in subparagraph (B), by striking the period at the end and inserting "; and"; and

(iii) by adding at the end the following:

"(C) the term 'qualified HUBZone small business concern' has the meaning given that term in section 3(p) of the Small Business Act (15 U.S.C. 632(o)).".

(3) REGULATIONS.—Section 7505(c) of title 31, United States Code, is amended by striking "small business concerns and" and inserting "small business concerns, qualified HUBZone small business concerns, and".

(f) OFFICE OF FEDERAL PROCUREMENT POLICY ACT.—

(1) ENUMERATION OF INCLUDED FUNCTIONS.—Section 6(d) of the Office of Federal Procurement Policy Act (41 U.S.C. 405(d)) is amended—

(A) in paragraph (11), by inserting "qualified HUBZone small business concerns (as that term is defined in section 3(p) of the Small Business Act)," after "small businesses,"; and

(B) in paragraph (12), by inserting "qualified HUBZone small business concerns (as that term is defined in section 3(p) of the Small Business Act (15 U.S.C. 632(o)),' after "small businesses,".

(2) PROCUREMENT DATA.—Section 502 of the Women's Business Ownership Act of 1988 (41 U.S.C. 417a) is amended—

(A) in subsection (a)—

(i) in the first sentence, by inserting "the number of qualified HUBZone small business concerns," after "Procurement Policy"; and

(ii) by inserting a comma after "women"; and

(B) in subsection (b), by inserting after "section 204 of this Act" the following: ", and the term 'qualified HUBZone small business concern' has the meaning given that term in section 3(p) of the Small Business Act (15 U.S.C. 632(o)).".

(g) ENERGY POLICY ACT OF 1992.—Section 3021 of the Energy Policy Act of 1992 (42 U.S.C. 13556) is amended—

(1) in subsection (a)—

(A) in paragraph (2), by striking "or";

(B) in paragraph (3), by striking the period and inserting "; or"; and

(C) by adding at the end the following:

"(4) qualified HUBZone small business concerns."; and

(2) in subsection (b), by adding at the end the following:

"(3) The term 'qualified HUBZone small business concern' has the meaning given that term in section 3(p) of the Small Business Act (15 U.S.C. 632(o)).".

(h) TITLE 49, UNITED STATES CODE.—

(1) PROJECT GRANT APPLICATION APPROVAL CONDITIONED ON ASSURANCES ABOUT AIRPORT OPERATION.—Section 47107(e) of title 49, United States Code, is amended—

(A) in paragraph (1), by inserting before the period "or qualified HUBZone small business concerns (as that term is defined in section 3(p) of the Small Business Act)";

(B) in paragraph (4)(B), by inserting before the period "or as a qualified HUBZone small business concern (as that term is defined in section 3(p) of the Small Business Act)"; and

(C) in paragraph (6), by inserting "or a qualified HUBZone small business concern (as that term is defined in section 3(p) of the Small Business Act)" after "disadvantaged individual".

(2) MINORITY AND DISADVANTAGED BUSINESS PARTICIPATION.—Section 47113 of title 49, United States Code, is amended—

(A) in subsection (a)—

(i) in paragraph (1), by striking the period at the end and inserting a semicolon;

(ii) in paragraph (2), by striking the period at the end and inserting "; and"; and

(iii) by adding at the end the following:

"(3) the term 'qualified HUBZone small business concern' has the meaning given that term in section 3(p) of the Small Business Act (15 U.S.C. 632(o)).'"; and

(B) in subsection (b), by inserting before the period "or qualified HUBZone small business concerns".

SEC. 605. REGULATIONS.

(a) IN GENERAL.—Not later than 180 days after the date of enactment of this Act, the Administrator of the Small Business Administration shall publish in the Federal Register such final regulations as may be necessary to carry out this title and the amendments made by this title.

(b) FEDERAL ACQUISITION REGULATION.—Not later than 180 days after the date on which final regulations are published under subsection (a), the Federal Acquisition Regulatory Council shall amend the Federal Acquisition Regulation in order to ensure consistency between the Federal Acquisition Regulation, this title and the amendments made by this title, and the final regulations published under subsection (a).

SEC. 606. REPORT.

Not later than March 1, 2000, the Administrator of the Small Business Administration shall submit to the Committees on Small Business of the House of Representatives and the Senate a report on the implementation of the HUBZone program established under section 31 of the Small Business Act (as amended by this title) and the degree to which the HUBZone program has resulted in increased employment opportunities and an increased level of investment in HUBZones (as that term is defined in section 3(p) of the Small Business Act, as added by this title).

SEC. 607. AUTHORIZATION OF APPROPRIATIONS.

Section 20 of the Small Business Act (15 U.S.C. 631 note) (as amended by section 101 of this Act) is amended—

(1) in subsection (c), by adding at the end the following:

"(3) HUBZONE PROGRAM.—There are authorized to be appropriated to the Administration to carry out the program under section 31, $5,000,000 for fiscal year 1998.";

(2) in subsection (d), by adding at the end the following:

"(3) HUBZONE PROGRAM.—There are authorized to be appropriated to the Administration to carry out the program under section 31, $5,000,000 for fiscal year 1999."; and

(3) in subsection (e), by adding at the end the following:

"(3) HUBZONE PROGRAM.—There are authorized to be appropriated to the Administration to carry out the program under section 31, $5,000,000 for fiscal year 2000.".

MOTION OFFERED BY MR. TALENT

Mr. TALENT. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. TALENT moves to strike out all after the enacting clause of Senate 1139 and insert in lieu thereof the provisions of H.R. 2261, as passed by the House.

The motion was agreed to.

The Senate bill was ordered to be read a third time, was read the third time, and passed.

The title of the Senate bill was amended so as to read: "a bill to reauthorize and amend the programs of the Small Business Act and the Small Business Investment Act, and for other purposes".

A motion to reconsider was laid on the table.

A similar House bill (H.R. 2261) was laid on the table.

EXTENDING CERTAIN PROGRAMS UNDER THE ENERGY POLICY AND CONSERVATION ACT

The SPEAKER pro tempore. The pending business is the question de novo of suspending the rules and passing the bill, H.R. 2472.

The Clerk read the title of the bill.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Idaho [Mr. CRAPO] that the House suspend the rules and pass the bill, H.R. 2472.

The question was taken.

RECORDED VOTE

Mr. DOGGETT. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The SPEAKER pro tempore. This will be a 5-minute vote.

The vote was taken by electronic device, and there were—ayes 405, noes 8, not voting 20, as follows:

[Roll No. 464]

AYES—405

Abercrombie	Bereuter	Brown (OH)
Ackerman	Berman	Bryant
Aderholt	Berry	Bunning
Allen	Bilbray	Burr
Andrews	Bilirakis	Burton
Archer	Bishop	Buyer
Armey	Blagojevich	Callahan
Bachus	Bliley	Calvert
Baesler	Blumenauer	Camp
Baker	Blunt	Campbell
Baldacci	Boehlert	Canady
Ballenger	Boehner	Cannon
Barcia	Bonilla	Capps
Barr	Bonior	Cardin
Barrett (NE)	Bono	Carson
Barrett (WI)	Borski	Castle
Bartlett	Boswell	Chabot
Barton	Boucher	Chambliss
Bass	Boyd	Christensen
Bateman	Brady	Clay
Becerra	Brown (CA)	Clayton
Bentsen	Brown (FL)	Clement

Clyburn
Coble
Coburn
Collins
Combest
Condit
Cook
Costello
Cox
Coyne
Cramer
Crane
Crapo
Cubin
Cummings
Cunningham
Danner
Davis (FL)
Davis (IL)
Davis (VA)
Deal
DeFazio
DeGette
Delahunt
DeLauro
DeLay
Dellums
Deutsch
Diaz-Balart
Dickey
Dicks
Dingell
Dixon
Doggett
Dooley
Doyle
Dreier
Duncan
Dunn
Edwards
Ehlers
Ehrlich
Emerson
Engel
English
Ensign
Eshoo
Etheridge
Evans
Everett
Ewing
Farr
Fawell
Fazio
Filner
Forbes
Ford
Fowler
Fox
Franks (NJ)
Frelinghuysen
Frost
Furse
Gallegly
Ganske
Gejdenson
Gekas
Gibbons
Gilchrest
Gillmor
Gilman
Goode
Goodlatte
Goodling
Gordon
Goss
Graham
Granger
Green
Greenwood
Gutierrez
Gutknecht
Hall (OH)
Hall (TX)
Hamilton
Hansen
Hastert
Hastings (FL)
Hastings (WA)
Hayworth
Hefley
Herger
Hill
Hilleary
Hilliard
Hinojosa
Hobson
Hoekstra
Holden
Hooley
Horn
Houghton
Hoyer
Hulshof
Hunter
Hutchinson
Hyde
Inglis
Istook
Jackson (IL)
Jackson-Lee (TX)
Jefferson
Jenkins
John
Johnson (CT)
Johnson (WI)
Johnson, E.B.
Johnson, Sam
Jones
Kanjorski
Kaptur
Kasich
Kelly
Kennedy (MA)
Kennedy (RI)
Kennelly
Kildee
Kilpatrick
Kim
Kind (WI)
King (NY)
Kingston
Kleczka
Klink
Klug
Knollenberg
Kolbe
Kucinich
LaFalce
LaHood
Lampson
Lantos
Largent
Latham
LaTourette
Lazio
Leach
Levin
Lewis (CA)
Lewis (GA)
Lewis (KY)
Linder
Lipinski
Livingston
LoBiondo
Lofgren
Lowey
Lucas
Luther
Maloney (CT)
Maloney (NY)
Manton
Manzullo
Markey
Martinez
Mascara
Matsui
McCarthy (MO)
McCarthy (NY)
McCollum
McCrery
McDade
McDermott
McGovern
McHale
McHugh
McInnis
McIntosh
McIntyre
McKeon
McKinney
McNulty
Meehan
Meek
Menendez
Metcalf
Mica
Millender-McDonald
Miller (CA)
Miller (FL)
Minge
Mink
Moakley
Mollohan
Moran (KS)
Moran (VA)
Morella
Murtha
Myrick
Nadler
Nethercutt
Ney
Northup
Norwood
Nussle
Oberstar
Obey
Olver
Ortiz
Owens
Oxley
Packard
Pallone
Pappas
Parker
Pascrell
Pastor
Paxon
Payne
Pease
Pelosi
Peterson (MN)
Peterson (PA)
Petri
Pickering
Pickett
Pitts
Pombo
Pomeroy
Porter
Portman
Poshard
Price (NC)
Pryce (OH)
Radanovich
Rahall
Ramstad
Redmond
Regula
Reyes
Riggs
Riley
Rivers
Rodriguez
Roemer
Rogan
Rogers
Ros-Lehtinen
Rothman
Roukema
Roybal-Allard
Rush
Ryun
Sabo
Salmon
Sanchez
Sanders
Sandlin
Sanford
Sawyer
Saxton
Scarborough
Schaefer, Dan
Schaffer, Bob
Schumer
Scott
Sensenbrenner
Serrano
Sessions
Shadegg
Shaw
Shays
Sherman
Shimkus
Shuster
Sisisky
Skaggs
Skeen
Skelton
Slaughter
Smith (MI)
Smith (NJ)
Smith (OR)
Smith (TX)
Smith, Adam
Smith, Linda
Snowbarger
Snyder
Solomon
Souder
Spence
Spratt
Stabenow
Stark
Stearns
Stokes
Strickland
Stump
Stupak
Talent
Tanner
Tauscher
Tauzin
Taylor (MS)
Taylor (NC)
Thomas
Thompson
Thornberry
Thune
Thurman
Tierney
Torres
Towns
Traficant
Turner
Upton
Velázquez
Vento
Visclosky
Walsh
Wamp
Waters
Watt (NC)
Watts (OK)
Waxman
Weldon (FL)
Weldon (PA)
Weller
Wexler
Weygand
White
Whitfield
Wicker
Wise
Wolf
Woolsey
Wynn
Yates
Young (AK)

NOES—8

Doolittle
Hostettler
Neumann
Paul
Rohrabacher
Royce
Sununu
Tiahrt

NOT VOTING—20

Chenoweth
Conyers
Cooksey
Fattah
Flake
Foglietta
Foley
Frank (MA)
Gephardt
Gonzalez
Harman
Hefner
Hinchey
Neal
Quinn
Rangel
Schiff
Stenholm
Watkins
Young (FL)

□ 1850

Mr. RAMSTAD changed his vote from "no" to "aye."

So (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

ELECTION OF MEMBERS TO COMMITTEE ON STANDARDS OF OFFICIAL CONDUCT

Mr. ARMEY. Mr. Speaker, I offer a resolution (H. Res. 249) and I ask unanimous consent for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 249

Resolved, That the following named Members be, and are hereby, elected to the Committee on Standards of Official Conduct: Mr. Smith of Texas; Mr. Hefley of Colorado; Mr. Goodlatte of Virginia; and Mr. Knollenberg of Michigan.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

The resolution was agreed to.

A motion to reconsider was laid on the table.

ELECTION OF MEMBERS TO COMMITTEE ON STANDARDS OF OFFICIAL CONDUCT

Mr. FAZIO of California. Mr. Speaker, I offer a resolution (H. Res. 250), and I ask unanimous consent for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 250

Resolved, That the following named Members be, and that they are hereby, elected to the following standing committee of the House of Representatives:

Committee on Standards of Official Conduct: Mr. Sabo of Minnesota; Mr. Pastor of Arizona; Mr. Fattah of Pennsylvania; and Ms. Lofgren of California.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

The resolution was agreed to.

A motion to reconsider was laid on the table.

ANNOUNCEMENT OF INTENTION TO OFFER MOTION TO INSTRUCT CONFEREES ON H.R. 1757, FOREIGN RELATIONS AUTHORIZATION ACT, FISCAL YEARS 1998 AND 1999, AND EUROPEAN SECURITY ACT OF 1997

Mr. DOGGETT. Mr. Speaker, pursuant to clause 1(c) of rule XXVIII, I hereby give notice of my intention to offer a motion to instruct conferees on the bill (H.R. 1757) to consolidate international affairs agencies, to authorize appropriations for the Department of State and related agencies for fiscal years 1998 and 1999, and to ensure that the enlargement of the North Atlantic Treaty Organization [NATO] proceeds in a manner consistent with United States interests, to strengthen relations between the United States and Russia, to preserve the prerogatives of the Congress with respect to certain arms control agreements, and for other purposes, and the form of the motion is as follows:

Mr. DOGGETT moves that the managers on the part of the House at the conference on the disagreeing votes of the two Houses on the bill, H.R. 1757, be instructed to reject section 1601 of the Senate amendment which provides for payment of all private claims against the Iraqi Government before those of U.S. veterans and the U.S. Government (i.e., U.S. taxpayers).

PERSONAL EXPLANATION

Mr. PALLONE. Mr. Speaker, on rollcall No. 460, the motion to adjourn, and rollcall No. 461, the continuing resolution, I was unable to be present because of the birth, and I am very happy, the birth of my daughter, Celeste Teresa. Had I been present, I would have voted "yes" on both of these rollcall votes.

The SPEAKER pro tempore. Congratulations to our new father.

COMMUNICATION FROM THE HONORABLE JOHN D. DINGELL, MEMBER OF CONGRESS

The SPEAKER pro tempore laid before the House the following communication from the Honorable JOHN D. DINGELL, Member of Congress:

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, DC, September 26, 1997.

Hon. NEWT GINGRICH,
Speaker, House of Representatives,
Washington, DC.

DEAR MR. SPEAKER: This is to formally notify you, pursuant to Rule 1 (50) of the Rules of the House of Representatives, that the "Office of Congressman John D. Dingell" has received a subpoena for documents and testimony issued by the U.S. District Court for the Central District of California and the District of Columbia, respectively, in the matter of *Oxycal Laboratories, Inc., et al.* v. *Patrick, et al., No. SA CV-96-1119 AHS (Eex)* (C.D. Cal.) (a civil dispute between private parties that apparently arises out of an alleged breach of a settlement agreement).

After consultation with the Office of General Counsel, I have determined that the subpoena appears, at least in part, not to be consistent with the rights and privileges of the House and, to the extent not consistent with the rights and privileges of the House, should be resisted.

Sincerely,

JOHN D. DINGELL.

COMMUNICATION FROM THE HONORABLE JOHN D. DINGELL, MEMBER OF CONGRESS

The SPEAKER pro tempore laid before the House the following communication from the Honorable JOHN D. DINGELL, Member of Congress:

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, DC, September 26, 1997.

Hon. NEWT GINGRICH,
Speaker, House of Representatives,
Washington, DC.

DEAR MR. SPEAKER: This is to formally notify you, pursuant to Rule 1(50) of the Rules of the House of Representatives, that I have received a subpoena for documents issued by the U.S. District Court for the Central District of California in the matter of *Oxycal Laboratories, Inc., et al.*, v. *Patrick, et al., No SA CV-96-1119 AHS (Eex)* (C.D. Cal.) (a civil dispute between private parties that apparently arises out of an alleged breach of a settlement agreement).

After consultation with the Office of General Counsel, I have determined that the subpoena appears, at least in part, not to be consistent with the rights and privileges of the House and, to the extent not consistent with the rights and privileges of the House, should be resisted.

Sincerely,

JOHN D. DINGELL.

□ 1900

SPECIAL ORDERS

The SPEAKER pro tempore. Under the Speaker's announced policy of January 7, 1997, and under a previous order of the House, the following Members will be recognized for 5 minutes each.

CONGRATULATIONS TO THE HOUSTON ASTROS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas [Mr. GREEN] is recognized for 5 minutes.

Mr. GREEN. Mr. Speaker, normally we stand up here and talk about a lot of the great issues we debate, and every once in a while we get to talk about something in our hometown. This evening I would like to talk about my own district of Houston, Texas, where we are celebrating tonight and hopefully celebrating the rest of the week. I see my colleague from Georgia over there. I would like to congratulate the Houston Astros on their division title, and more than that, wish them luck in their game tomorrow against the Atlanta Braves.

The Houston Astros captured their first ever National League Central title last Thursday, thanks to a 9-to-1 win over the Chicago Cubs, and it was their first division title since 1986.

Since their All Star break, the Astros were 39–32 and 42–35 over the last 77 games. The Astros have been in first place in their division since July 18 of this year.

Attendance at these games this year topped the 2 million mark for only the fourth time in our club history.

Congratulations to both the owner, Drayton McLane, and our manager, Larry Dierker, Tal Smith, and all of the players and staff of the Houston Astros administration.

Astros manager Larry Dierker joins a short list of rookie skippers this year who have won a division title in their first year. In fact, the last time a first-year manager was to achieve this feat was Hal Lanier, who led the Houston Astros to the 1986 division championship.

No stranger to major league baseball, Larry Dierker's name has been associated with baseball in Houston almost since the inception of the club in the early 1960s. He made his baseball major league debut in Colt Stadium on his 18th birthday and on that day he struck out both Willie Mays and Jim Hart in the first inning.

His 14-year pitching career saw him become Houston's first 20-game winner in 1969, the same year he pitched a club record of 20 complete games. Larry Dierker was named to the National League All-Star team for the 1969 game that was played here at RFK Stadium in Washington, and also the 1971 contest in Tiger Stadium in Detroit. He still ranks among the club's all-time leaders in virtually every pitching category.

With a manager like Larry Dierker, the Astros truly have a leader who not only knows Houston, but also knows the ins and outs of baseball.

Mr. Speaker, we also have two major stars on our team also affectionately called the Killer Bs. Jeff Bagwell, the home run king for the Astros, hit a total of 43 home runs this season. Not only did he set a new club record, he finished second in homers in the National League. Bagwell also established club records this year with 135 RBIs, 335 total bases, and 84 extra base hits. Setting a new Astros single season club record for homers, Bagwell ranked second in the National League for the number of RBIs.

Then there is the other Killer B, Craig Biggio. He is the first player in the history of major league baseball to play in 162 games without grounding into a double play for the season. Biggio broke a 1935 record held by Augie Galan from the Chicago Cubs who went 154 games without grounding into a double play.

Currently, Biggio crossed the plate 146 times this season, the most runs by a national leaguer since Chuck Klein scored 152 runs in 1932. Not only that, he has been hit by a pitch 34 times this season, establishing a new Astros record, which is not a record, I have to say, we are proud of, to have one of our players hit 34 times. Overall, 100 Astros were hit by pitches this year, the highest total by a team this century. The rest of the team will not back down from any of the pitchers either.

In fact, the great pitching staff we have is congratulations to Darryl Kile and the other outstanding pitchers. Kile is currently up for the top pitching award, the Cy Young Award. He has pitched 255–2/3 innings this season with a ranking of second in the National League. In addition, he has thrown 4 shutouts, tying for second in the National League.

These key players, as well as the team, all contributed to their National League Central division title last Thursday, and being a Houston Astros fan, along with thousands and thousands of people in Houston, I want to congratulate the Astros and wish them the best of luck in their playoff game versus the Atlanta Braves tomorrow and also the series over the next few days.

Mr. CHAMBLISS. Mr. Speaker, will the gentleman yield?

Mr. GREEN. I yield to the gentleman from Georgia, who is also a pretty good basketball player in his own right.

Mr. CHAMBLISS. Mr. Speaker, I thank the gentleman from Texas [Mr. GREEN], my partner on the basketball court, and I would congratulate your Houston Astros also. They have had a great year this year. We look forward to them coming to Atlanta. I hope they are unhappy when they leave Atlanta, but we sure look forward to a great series. I think five of them have been one-run games, two of them have been extra inning games. It is going to be a great series. We look forward to it.

THE WILLIAM AUGUSTUS BOOTLE FEDERAL BUILDING AND UNITED STATES COURTHOUSE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Georgia [Mr. CHAMBLISS] is recognized for 5 minutes.

Mr. CHAMBLISS. Mr. Speaker, I would like to take this opportunity to encourage my colleagues to support H.R. 595, the William Augustus Bootle Federal Building and United States Courthouse naming bill. This is an issue of great importance to me as well as all the citizens of Georgia and in particular, Macon, GA.

On February 5, 1997, I introduced this legislation in the House of Representatives. H.R. 595 is similar to a bill introduced in the 104th Congress which was titled H.R. 4119. H.R. 4119 passed in this House by voice vote, but unfortunately was submarined in the U.S. Senate, along with a number of other naming bills.

H.R. 595 passed in the Senate on June 12, 1997, and earlier today, this bill was debated in this body. I look forward to its passage tomorrow so it can be sent to the White House for the President's signature.

The courthouse houses the U.S. District Court for the Middle District of Georgia, which covers much of the territory of Georgia's Eighth Congressional District, which I represent.

Mr. Speaker, there is not a more deserving individual to name this building and courthouse for than Judge Bootle, and the current judges of the court wholeheartedly agree. Judge Bootle received his undergraduate and juris doctorate degree from Mercer University in Macon, GA. He was admitted to the bar of the State of Georgia in 1925.

Judge Bootle honorably served the U.S. District Court for the Middle District of Georgia for almost 25 years. Upon his appointment by President Eisenhower, Judge Bootle served as district judge from 1954 to 1961 and began serving as chief judge from 1961 to 1972. Moreover, he served the middle district as assistant U.S. attorney and as U.S. attorney from 1928 to 1933. Judge Bootle also served Georgia's legal community as dean of Mercer University School of Law from 1933 to 1937. His distinguished service is admired, appreciated, and recognized throughout the State of Georgia.

Upon Judge Bootle's appointment to the bench as judge for the Middle District of Georgia in 1954, the chief judge was ill and remained so for an extended period of time, and until 1962 when another judge was appointed, Judge Bootle handled all six divisions of the Middle District of Georgia, which included 71 of Georgia's 159 counties.

Judge Bootle served this country well during the very emotional and precarious time of desegregation in the South. Judge Bootle was responsible for the admittance of the first black students in the University of Georgia.

I would like to take this opportunity to quote from a book written by Frederick Allen, which is entitled, "Atlanta Rising." This book deals with a lot of history which took place in the Atlanta area during the years of the civil rights movement. Two black applicants who were denied admittance to the University of Georgia filed suit in the Middle District of Georgia, and quoting from this book, I read as follows:

> Two black applicants, Charlayne Hunter and Hamilton Holmes, went to the court attacking the welter of excuses University of Georgia officials had concocted to keep them out. The two made a convincing case that the only reason they had been denied admission was segregation, pure and simple. In a ruling issued late on the afternoon of Friday, January 6, 1961, Judge William A. Bootle ordered Hunter and Holmes admitted to the school, not in six months or a year, but bright and early the next Monday morning.

In the 1960's in Georgia, folks, that took great judicial integrity.

Judge Bootle has dedicated himself to years of service as a humble steward of justice, his community, the State of Georgia, and the United States. Due to this level of commitment, all of these societies are better places. Naming the courthouse the William Augustus Bootle Federal Building and United States Courthouse is an appropriate way to ensure the judge's efforts will always be remembered.

TRIBUTE TO QUINN CHAPEL AME CHURCH

The SPEAKER pro tempore (Ms. GRANGER). Under a previous order of the House, the gentleman from Illinois [Mr. DAVIS] is recognized for 5 minutes.

Mr. DAVIS of Illinois. Madam Speaker, I rise today to commend and congratulate the Quinn Chapel African Methodist Episcopal Church on the occasion of their 150th year anniversary. One hundred fifty years ago, in 1847, the community and fellowship known as Quinn Chapel African Methodist Episcopal Church formally took its name under the leadership of Rev. George Johnson, a missionary of the New York conference.

This group of churchgoers decided to name their church in honor of, and after the renowned Bishop William Paul Quinn. Bishop Quinn was one of the most prolific circuit-riding preachers in the 1800's who personally organized 97 AME churches, prayer bands, and temperance societies. It is interesting to note that Quinn Chapel's first community project focused on the abolition of slavery, and ironically, Quinn Chapel became a station on the Underground Railroad. Moreover, for 150 years, during race riots, depressions, the great Chicago Fire of 1871, and a myriad of other natural disasters and human crises, African-Americans came to Quinn Chapel for protection, information, support, and inspiration, in part because African-Americans were denied attention from other private institutions.

Quinn Chapel was the birthplace of Provident Hospital of Chicago, organized by Dr. Daniel Hale Williams in 1891. Dr. Williams was the first surgeon to successfully operate on a human heart, and Provident was the first U.S. hospital where black nurses could be trained and employed. In addition, black physicians could treat patients and black patients could receive quality care, where before black patients' only option for surgery was the doctor's office or their own home. In addition, it was Quinn Chapel who initiated in 1898 the first retirement home for African-Americans.

The sons and daughters of Quinn Chapel have filled important leadership roles in the AME church, including Archibald Carey, Sr., B.A. Taylor, Archibald Carey, Jr., John M. Crawford, Jr., Mrs. Portia Bailey Beal, Rev. Charles Spivey, Jr., and Mrs. Eloise King. Additionally, the sons and daughters of Quinn Chapel have also made historic contributions to public service, including State Senators Adelbert G. Roberts, William A. Roberts, and State Representatives Cornell A. Davis, Shadrach B. Turner, George Kersey, and James Y. Carter, and Aldermen Robert R. Jackson, Rev. A.J. Carey, Jr., and Pastor A. Leon Bailey. Also, the first executive director of the Illinois Commission on Human Relations.

More than 65 sons and daughters of Quinn Chapel have been specifically singled out for their pioneering work in education in Chicago, across the Nation, and around the world. Others have excelled in self-help, and toward that end have founded numerous businesses, including Mr. Kit Baldwin, the founder of Baldwin Ice Cream Co., and a cofounder of the Cosmopolitan Chamber of Commerce. Many outstanding artists have performed at Quinn Chapel or for Quinn Chapel, including Duke Ellington, Patti LaBelle, and Wynton Marsalis.

Quinn Chapel has always demonstrated a high level of involvement with national affairs, from the abolition of slavery to every war, beginning with the Civil War, Spanish-American War, World War I, World War II, the Korean war, Vietnam conflicts, and continuing today.

Quinn Chapel has hosted many historical figures such as Presidents William McKinley and Howard Taft, Dr. Booker T. Washington, Ms. Jane Adams, Paul Lawrence Dunbar, Rev. Dr. Martin Luther King, Jr., Congressman Adam Clayton Powell, Rev. Jesse Jackson, Sr., Prof. Michael E. Dyson, Frederick Douglass, Dr. George Washington Carver, Richard B. Garrison, Susan B. Anthony, Branch Rickey, Studs Terkel, Irving "Kup" Kupcient, Lionel Hampton, Senators Paul Douglas, Charles Perry, and Adalai Stevenson, Oprah Winfrey, Scottie Pippen, Patti LaBelle, Oscar Brown, Jr., Ossie Davis, Ruby Dee, Mayor Willie Brown, Jr., and of course Chicago's magnificent mayor, Harold Washington.

□ 1915

Quinn Chapel has been pastored by a succession of extraordinarily devoted, talented, dedicated, and unique individuals who have left their imprint on the church and the community. Those dynamic pastors have come all the way from Archibald Carey to Thomas M. Higginbotham, who is currently there. These individuals have contributed significantly to the development of African-American life.

I salute and commend them on the occasion of their 150th year celebration, and I urge that we all take note of their mammoth contributions to the development of African-American life.

TIME FOR MEANINGFUL CAMPAIGN FINANCE REFORM

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Arkansas [Mr. SNYDER] is recognized for 5 minutes.

Mr. SNYDER. Madam Speaker, once again, I want to thank the staff for being here this evening to let us talk about the issues of campaign finance reform.

Madam Speaker, we call these special orders. The reason we have to talk about these during this time of special orders is because the Republican leadership will not let the matter of campaign finance reform be brought to the floor of the House for a meaningful discussion. It is something that I do not understand and want to talk about more, but I appreciate the staff being here.

Madam Speaker, on June 11, 1995, this was the famous photo between the President and the Speaker of the House, I believe it was in New Hampshire, in which they shook hands and committed themselves to working on campaign finance reform. This weekend I was shocked to hear the Speaker once again reiterate what he thinks campaign finance reform is, which is unlimited donations, that is right, absolutely no cap whatsoever on the ability of an individual to give money to a campaign.

Would $1,000 be good? Yes. Would $10,000 be good? Yes. Would $20,000 be a legal donation? Yes. Would a Ted Turner $1 billion donation be legal under the Speaker's definition of meaningful campaign finance reform? That is what he said this weekend, and that is the position that he is advocating. That is contrary to the position of the American people.

Madam Speaker, this weekend I was in Arkansas and the President was there. He has had a good week. It has been a great week for Arkansas, talking about the Rock 9. But the President has confirmed his support for campaign finance reform. It was interesting to me that in Arkansas in 1990 when the legislature thwarted the effort to have some meaningful campaign finance reform, President, then Governor Clinton, called a special session. When that was unsuccessful he led the effort to get an initiated act with signatures on the ballot that is now the current law of Arkansas.

The President is committed, the American people are committed. It is the Republican leadership in this House that needs to let this body bring the issue of campaign finance reform, meaningful campaign finance reform, to the American people.

Mr. TIERNEY. Madam Speaker, will the gentleman yield?

Mr. SNYDER. I am glad to yield to the gentleman from Massachusetts.

Mr. TIERNEY. Madam Speaker, just in line with what the gentleman is saying, I note that what the Speaker is talking about in terms of unlimited campaign contributions is, in essence, as one editorial says, trying to paste on the label of reform without the content.

I think that finally the majority party and the Speaker in particular are starting to hear the voices of America coming forward and saying they will not tolerate inaction on campaign finance reform, and clearly, that majority party, led by its Speaker, do not want to have any real meaningful campaign finance reform, so they are doing just that, trying to paste on the label of reform without the content by saying that they want to reform it by lifting all the rules, and have people have unlimited individual contributions, and then in the next step, they go on to ban so-called soft money.

Madam Speaker, soft money was there just to beat the limits. So if we remove the limits on contributions, we do not need the soft money. In effect, we just open it right up and you can buy any vote you want. It is just unlimited money coming in and basically, again, trying to disarm one party, leaving a party that traditionally gets enormous amounts of money from very wealthy interests to have their day. Editorials have already started to see through this ploy. I think the American people have seen through it long before.

Mr. SNYDER. If I might reclaim my time for a moment, what is discouraging about the Speaker's position is that there are Republicans who are advocating for meaningful campaign finance reform, and we are going to hear from at least one this evening on this issue. So I do not understand the motivation, trying to block meaningful campaign finance reform from coming to the floor of the House.

Mr. MILLER of California. Madam Speaker, will the gentleman yield?

Mr. SNYDER. I am glad to yield to the gentleman from California.

Mr. MILLER of California. I thank the gentleman for yielding to me.

I think the picture reminds me that most of us in politics are well aware that the basic currency of politics is your word. You give your word to your constituents. You give your word to your colleague. You give your word to the voters.

The Speaker here and the President gave their word that they would pursue campaign finance reform. Yet, the Speaker refuses to test a date for campaign finance reform, to make it part of the agenda for the House of Representatives, and we are getting very close to the end of this session. The word, the promise that he made over 2 years ago, should be kept with the American people. It should be kept with the Members of this House.

That is what our efforts have been trying to do, is to make sure that in fact campaign finance reform, and I appreciate the gentleman's involvement in helping us, becomes a fact; that we get a chance to debate it in a full and open and fair manner, and to live up to the promise that the gentleman reminds us the Speaker made over 2 years ago.

I thank the gentleman for taking the well on behalf of campaign finance reform.

Mr. SNYDER. Madam Speaker, I thank the gentleman very much.

I now yield to the other gentleman from California, who has been a leader on campaign finance reform for several years.

Mr. FARR of California. Madam Speaker, I thank the gentleman very much for yielding.

I would like to point out that that handshake is reflective of something that Congress has been able to do. We have been able to pass campaign reform. In 1976 was the first effort to try to set the limits that are now in law, much of the law in this country.

URGING CONSERVATIVE COLLEAGUES TO SUPPORT MEANINGFUL CAMPAIGN FINANCE REFORM

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Arkansas [Mr. HUTCHINSON] is recognized for 5 minutes.

Mr. HUTCHINSON. Madam Speaker, I rise to urge support of my colleagues for campaign finance reform. I want to recognize the remarks made by my friend, the gentleman from Arkansas [Mr. SNYDER], who is a cosponsor of the Freshman Bipartisan Campaign Integrity Act, which we are trying to move forward in this body. I want to particularly make reference to it for a few moments today to urge my colleagues, and particularly my conservative colleagues, to consider campaign finance reform.

I do not believe that campaign finance reform particularly is of any ideological persuasion, but I think the conservatives have been more reluctant, for various reasons, to join the effort to reform our campaign finance

system. I think they can join the effort.

First of all, I am a conservative. I am very much in support of, as a former State party chairman, reforming our campaign system. If we look at the campaign finance reform ideas out on the table, we first have to acknowledge that there are some bad ideas out there. There are some ideas that I would not support, but then there are some other ideas for reform that are consistent with conservative principles.

I would not support, for instance, public funding of primaries. I would not support mandatory spending limits. But I do support reforms that stop the abuses of soft money, and I think that is what we need to address.

I have sponsored, along with the gentleman from Maine, Mr. TOM ALLEN, across the aisle, the Bipartisan Campaign Integrity Act of 1997. It is a good bill that bans soft money, that increases disclosure to the American public of what is being spent. In addition, it helps the parties in reference to raising hard money, the honest money. It empowers individuals and slows down the influence of special interest groups. So it is a good bill and it is based upon conservative principles.

In addition to the gentleman from Maine, Mr. TOM ALLEN, and myself sponsoring this, we have numerous other Members. In fact, we have one of the leading bills for cosponsorship from both sides of the aisle. That is why it is of a bipartisan nature. When I look at conservative principles I think of the free market system, I think of individual liberty, I think of smaller government, and I think of a strong defense. This bill really helps us to move in all of those things.

When we look at a free market, we have a free market system because we are able to control monopolies, and say monopolies cannot work because they infringe upon the free market system. Yet, we look at the free market system of ideas and they are being infringed upon by the international corporations that have such an undue influence on our political system.

So this bill levels the playing field, creates really a free market out there, empowers individuals. It encourages individual liberty by empowering individuals. It emphasizes those people who work at the grass roots rather than those people who simply try to generate gross profits. That empowers individuals.

Why does it encourage smaller government? Because if we do not act for reform now, the call for public funding of our campaigns will grow and grow. We do not need the Government involved. We need to stop the abuse with campaign finance reform now.

Finally, a strong defense, if we can stop the foreign influence, and it will be reduced if we can eliminate the loophole of soft money.

For all of these reasons, the bill, the Bipartisan Campaign Integrity Act, is solid. It is based upon conservative principles. It will stop the abuses, and when I talk across this country, people of all ideological persuasions understand the need for honest, legitimate reform.

That is why I urge my colleagues to support this. Whether they call themselves a liberal, whether they call themselves a conservative, or whether they call themselves a moderate, this is reform that the American public demands across the aisle. Our bill is consistent with conservative principles. I urge my colleagues to support it.

CAMPAIGN FINANCE REFORM

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas [Mr. DOGGETT] is recognized for 5 minutes.

Mr. DOGGETT. Madam Speaker, let me begin by commending our colleague, the gentleman from Arkansas [Mr. HUTCHINSON], for the remarks that he just made. I think that he made some very good points about the need for us to address this whole issue of soft money, and I fully support the initiative that he and our colleague, the gentleman from Maine, Mr. TOM ALLEN, and other freshmen Members, against considerable resistance, have maintained in offering the Bipartisan Campaign Integrity Act.

Madam Speaker, indeed, I was the Member who stood here on the floor last Friday and asked Speaker GINGRICH personally when he was in the Chair to grant us consent to take up and consider that bill last week. It seemed to me appropriate that we should be considering campaign finance reform on the same day that our colleagues across the hall in the United States Senate were considering that issue last Friday, but instead, we were denied that opportunity.

It seems to me that the kind of bipartisanship that the gentleman from Arkansas has just demonstrated in working, both Democrats and Republicans together, to address this issue is the very kind of bipartisanship that has existed in the Senate, with the leadership of Senator MCCAIN joining with Senator FEINGOLD to propose realistic ways in which we can address this problem of the money chase that affects people of all political philosophies in both parties, devoting in many cases more time to finding the funds to maintain themselves in office or to achieve office than to attend to the public's business.

So I would say, first, I come tonight to agree with my Republican colleagues, and I will say secondly that I agree with comments that many of our Republican colleagues have made on this floor recently concerning the need to enforce existing campaign finance laws.

I read with alarm the reports in the New York Times and otherwise about three campaign aides to the Teamster chief making guilty pleas about illegal money and reelection of the Teamsters tied to a scheme including Democrats. There are already three people that have pled guilty. I want to see that fully and thoroughly investigated, fully and thoroughly prosecuted, along with any other violation by anyone on either side of the political aisle, the political philosophy, of our existing laws.

The problem that brings us here tonight, because we are not an enforcement body of existing laws, is not those existing laws and such violations as may or may not have occurred. To me the problem is that what is legal is not right.

What is legal under existing campaign finance laws is the ability of special interests to pour in millions and millions of dollars that influences what happens in this Congress every day and every evening. What is legal is not right, by the view of the American people, who watch their Congress coming increasingly under the control of special interests who can afford to dump more and more money, soft money, to soften up the political process.

What I find indeed amazing were the comments this weekend of colleagues, both Speaker GINGRICH here in the House and various Members of the other body, saying that they had a solution to the problem of campaign finance reform. What is their solution? They do not think we have enough money in the system. They think that all of the existing reforms in terms of campaign finance limitation, they want to have campaign finance reform by repealing the existing laws and by allowing anyone to pay whatever it costs to buy whatever it is they need in the political process.

I do not believe that people who have studied our system, the ordinary person who is out there working, trying to make ends meet, that they begin to believe the nonsense of those who perhaps have spent too much time focused on how to raise the money for the next campaign instead of how to make ends meet out in the real world; that anyone out there with good sense, looking at this system, thinks that we can make it better if we allow the big boys to pour in even more money than they are funneling into the system already; money that distorts the legislative priorities, that results in a tobacco company being able to come in here and give more soft money to the Republican Party than any other special interest in the first 6 months of this year, and then come along in month 7 and they get a $50 billion tax break tucked into page 300 and something of the balanced budget bill; to have another contributor who was an individual family contributor who contributed about $1 million in the spring of

this year, and then come along in month 7, and they got a pretty good tax break buried in that balanced budget bill, also.

□ 1930

That is the way this system has worked, and that is what is wrong with the system. Too much time is focused on fund-raising and not enough time on good public policy. We can change that by bringing campaign finance system reform to this floor for full and open debate.

CITIZENSHIP REFORM ACT OF 1997

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California [Mr. BILBRAY] is recognized for 5 minutes.

Mr. BILBRAY. Madam Speaker, let me first say, as one of the original cosponsors of the bipartisan campaign finance legislation, I would ask those of us on both sides of the aisle who truly want to see this body finally address that issue to go to our colleagues and ask them to quit the dilatory procedures in asking for adjournment after adjournment so we can get through the budgetary process, not have to have a CR, not have to be threatened with the close-down of the Government. And then we can address the issue that we all want to take a look at, especially those of us who cosponsored the bipartisan campaign finance reform.

That set aside, I am here to specifically address an issue of fairness and an issue of common sense. It is the bill that is called H.R. 7. It is the Citizenship Reform Act of 1997. It amends the Naturalization Act to stop giving automatic citizenship to the children of illegal aliens and tourists. It is basically there because those of us who have worked in local government and had to address this issue in local communities realize that it is a much bigger issue than what most people say.

I served as a county supervisor in a county in California. We came to the conclusion that Washington has to quit giving incentives to people to break our immigration laws. Madam Speaker, in California, in fact in Los Angeles County alone, there are over 250,000 citizen children of illegal aliens who qualify for such benefits as Medicare, AFDC, WIC, SSI. And, de facto, their parents get that money rewarded to them for breaking the law and having a child here. We are talking about two-thirds of the births in the largest populated county in the United States, Los Angeles County, and those public hospitals, are children of illegal aliens. We are talking about a cost in California alone to the State of California of over $500 million annually in providing health care services to the children of illegal aliens.

Now, some people may say that 40 percent of all births paid by Medicare in California going to illegal aliens is not that big a deal because it is California. But, Madam Speaker, all of the United States pays for this and all the people of the United States bear the responsibility of sending the wrong message, and that is, we will reward people for breaking our laws and punish those who wait patiently.

This loophole needs to be closed. It is not the responsibility of an illegal alien to close this loophole. It is not their fault that Washington has invited people in to get paid for breaking the law. The fact is, this loophole falls on our shoulders. It is not the mother of illegal aliens that should be blamed. It is Washington and our lack of commitment to fairness and common sense.

In Texas alone, there were fraudulent birth certificates sold to foreigners just so they can gain access to these public benefits. In fact, in one county in Texas, over 3,800 phony birth certificates were sold to the mothers so their children could get this automatic citizenship. Eighty-nine people today are being indicted, and over $400,000 worth of welfare fraud has been identified.

Now, granting automatic citizenship to the illegal aliens in this country is one of those terrible bait and switches that we say, come on in, break our laws, and we will reward you. We are talking fairness here, because there are thousands of would-be immigrants who are waiting patiently to immigrate into this country who do not get these benefits because their children were born while they were waiting.

The other issue is, what is really the difference between an illegal immigrant who comes in with a child who is 1 year old in their arms? Do they not have as much need for service as somebody who came across and gave birth right after getting on U.S. soil? It is totally absurd, and we have got to talk about the fairness.

Madam Speaker, there are those who will say that it is unconstitutional not to give everyone on U.S. soil automatic U.S. citizenship. I remind you, the children of diplomats do not get automatic citizenship and the children of certain tribes did not get automatic citizenship until 1924. The 14th amendment has never been clarified by the Supreme Court. The Supreme Court has never ruled on the right of illegal alien children to get automatic citizenship.

I think it is the obligation of Congress, under the fifth section of the 14th amendment, to raise this issue, bring it forth, and let the chips fall where they might. Why are people so scared of fairness? Why are they so scared of taking care of this?

Madam Speaker, I close with the fact that we have 51 bipartisan cosponsors. A hearing was held on June 25. We are looking forward to the gentleman from Texas [Mr. SMITH] chairman of the Subcommittee on Immigration and Claims, setting a date in October. I encourage everyone to join with us, call your Congressman, let us address this issue fairly and up front.

DEMOCRAT RECORD ON CAMPAIGN FINANCE REFORM

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California [Mr. FARR] is recognized for 5 minutes.

Mr. FARR of California. Madam Speaker, I rise to continue the discussion on campaign finance reform. As you have heard earlier, there is a big effort here in the House to come up with a meaningful package.

I would like to remind everyone that this is not the first time that we have debated this issue. In fact, in the last Congress, in the 104th, which is the Congress that was elected in 1994, a bill came to the floor, a bill that I authored so I am very familiar with it, that was a repetition of the bills that had been here before that had been passed out of this House when Democrats were in control. And I think that the approach that we need to be reminded of, in this era when everybody wants some campaign reform, they will take the cream off the top and try to do something immediately, trying to do an easy fix. We do not even seem to be able to do the easy fix.

We were shown the now historical handshake where the President and the Speaker of this House agreed that it would be campaign finance reform done in the last session. It has not been done. It was supposed to be done in this session. We have not even had a committee hearing or a scheduled vote.

I want to remind people that the bill that has always gotten the most votes in this House, and that in the 103d and the 102d and the 101st sessions of Congress got off of the floor of this House only to be filibustered by Republicans in the Senate or vetoed by President Bush, was a campaign finance reform bill that was comprehensive that did set campaign spending limits.

My colleagues, we are not going to have a meaningful campaign reform bill until we can limit how much candidates can do. We know from case law and the Supreme Court decision that we cannot, as a Congress, limit free speech, but we also know that we can set up a process where one can volunteer to set the limits for themselves in a campaign, and, with that volunteering, you trigger in such things as spending limits, as new PAC limits, as new individual contribution limits, as public benefits that have never been given before for those who voluntarily limit their campaign spending.

It eliminates things like bundling provisions, it eliminates the soft money provisions, and it requires for independent expenditures for those organizations outside of this system, outside of a candidate's campaign, who are

going to come in and comment on the campaign, who are going to run literature that says this candidate is a good or bad candidate, it requires them to disclose who they are and where their sources of funding are coming from. This is comprehensive campaign reform.

What you have heard so far are bits and pieces of that. The bipartisan freshman bill, it is a good bill. It is a step in the right direction that deals with independent expenditure; other bills that deal with elimination of soft money; other bills that deal with public benefits. But none of the bills are comprehensive, that go all the way throughout the spectrum from campaign spending limits to overhaul of the benefits that candidates should get.

Mr. MILLER of California. Madam Speaker, will the gentleman yield?

Mr. FARR of California. I yield to the gentleman from California.

Mr. MILLER of California. Madam Speaker, I thank the gentleman for making this point.

Many have tried to say that somehow those of us who are asking that the House debate and pass campaign finance reform are somehow doing it to change the subject because the President and the administration have their own problems with how the money was raised and given to them in the last election.

As the gentleman points out, when the Democrats were in control of this House, in three successive efforts they made to pass and did, in fact, pass campaign finance reform, it was vetoed by the President, it was filibustered in the Senate.

The fact of the matter is, knowing even then that this was a system that was headed into a meltdown, we tried to take some efforts to get comprehensive finance reforms and they were thwarted by the other party. But now it is even worse.

We just heard Members from the other side say that they want to make this effort, and we had a press conference, a bipartisan press conference, supporting bipartisan legislation. We cannot even debate that legislation on the floor of the House, the so-called people's House, because the Republican leadership will not let us. Yet we have numerous Members from the other side of the aisle who have worked many years on this problem. They cannot even be heard.

Mr. FARR of California. Madam Speaker, I think the point is so well taken, the fact that there is no effort in this legislative body, the only body that can change the law. We are having hearings here where people want to hear and smear or just listen and say, we will finish with that and come up with something. This House has been doing campaign finance reform when the Democrats were in control year after year after year. Why can we not do it now?

Mr. MILLER of California. Because the Speaker is determined that it will not be on the schedule, that it will not be on the agenda of this House. That is what we are trying to change with many of these procedural votes, to call the attention to the public that we are being gagged in the House of Representatives from talking about this problem.

Mr. FARR of California. Continue the effort.

THE IRS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Tennessee [Mr. DUNCAN] is recognized for 5 minutes.

Mr. DUNCAN. Madam Speaker, the Nation has been outraged by the disclosures of IRS abuses of power expressed in last week's hearings in the other body. Yet very few people have really been shocked because almost everyone either has been mistreated by the IRS or has a close friend or relative who has been.

Leaders of both parties have promised some type of legislation, possibly even before we break this year. But IRS browbeating of citizens is so bad that we need more than some quick fix, cosmetic type change. We need to change the entire system.

The IRS' ability to mistreat people comes primarily from three sources: First, a Tax Code so complicated and confusing that no one understands it and not even the IRS itself; second, a Civil Service system that protects Federal employees so much that they can get away with almost anything; and, third, the fact that the Congress keeps giving the IRS huge increases in funding.

Let me speak briefly to those points in reverse order. First, it is almost unbelievable, because almost everyone knows how bad the IRS is, how abusive it is, yet we are rewarding them with a $548 million increase in funding. This is in the Treasury-Postal appropriations bill, and the conference report on that bill is scheduled later this week.

I voted against this bill the first time, primarily because of the IRS increase and because it also contained a congressional pay raise. I hope we will vote the bill down this week, if we can get enough Members to request a vote. This IRS increase is almost three times the rate of inflation and is totally unjustified, especially for an agency that just squandered billions, billions on a computer system that it admits will not work in the real world.

Second, the Civil Service System that we have now really does nothing for good, dedicated employees but it serves as a protection for lazy, incompetent, rude, or abusive employees.

There is really very little that can be done to a Federal employee no matter what he or she does or does not do, and, unfortunately, far too many take advantage of this. Federal employees cannot be held accountable for their misdeeds or wrongdoing, and thus nothing is done for huge mistakes that would cause quick termination in the private sector. About the only real violations that are acted on in the Federal bureaucracy today are violations of political correctness.

Thus, the IRS makes a megabillion-dollar foulup on its computer system, but what happens? We give it a $548 million raise and no heads roll, as they should. Also, we sit around and see the IRS used as never before to get back at enemies, so 12 conservative think tanks are being audited while no liberal ones are and Paula Jones gets audited and the IRS goes merrily on its way.

Third, the Tax Code is far too complicated and confusing. Many of the answers the IRS itself gives out are wrong. Honest people make honest mistakes on their returns and then are pursued like criminals by the IRS and zealous prosecutors trying to make names for themselves.

We need to drastically simplify our Tax Code. We need a very simple flat tax or a national sales tax. Much about the flat tax appeals to me, but a national sales tax has one big advantage in that it would enable us to do away with almost all of the IRS. I voted for the most recent tax cut, the first since 1981. Yet one major disappointment for me was that it made our Tax Code even more complicated.

□ 1945

I hope people all over this Nation will call or write Members of Congress and demand that we drastically simplify our Tax Code. I hope they will also tell their Members of the House and Senate to stop giving the IRS huge increases in funding. I hope they will tell their Representatives that we need to make major reforms of our civil service system so that IRS and other Federal employees cannot get away with rude, arrogant, abusive behavior any longer.

And I hope we will finally start cutting Federal spending. We have had much false publicity about cuts, but Federal spending is still going way up every year. This is why Federal, State, and local taxes combined, plus regulatory costs, now take half of the average person's income.

Big government breeds the types of abuses we are now hearing about by the IRS and many other Federal departments and agencies. The only long-lasting solution is to bring our government back home, closer to the people, and let the private sector and local governments solve most of our problems once again.

In short, Madam Speaker, we need a government of, by and for the people instead of one that is of, by and for the bureaucrats.

COMMUNICATION FROM THE CHAIRMAN OF THE COMMITTEE ON COMMERCE

The SPEAKER pro tempore laid before the House the following communication from the Hon. TOM BLILEY, Chairman of the Committee on Commerce:

HOUSE OF REPRESENTATIVES,
COMMITTEE ON COMMERCE,
Washington, DC, September 26, 1997.

Hon. NEWT GINGRICH,
Speaker, House of Representatives,
The Capitol, Washington, DC.

DEAR MR. SPEAKER: This is to formally notify you, pursuant to Rule L (50) of the Rules of the House of Representatives, that the Committee on Commerce has received subpoenas for documents and testimony issued by the U.S. District Courts for the Central District of California and the District of Columbia, respectively, in the matter of Oxycal Laboratories, Inc., et al. v. Patrick, et al., No SA CV-96-1119 AHS (EEx) (C.D. Cal.) (civil dispute between private parties that apparently arises out of an alleged breach of a settlement agreement).

After consultation with the Office of General Counsel, I have determined that the subpoenas appear, at least in part, not to be consistent with the rights and privileges of the House and, to the extent not consistent with the rights and privileges of the House, should be resisted.

Sincerely,

TOM BLILEY,
Chairman.

ELIMINATE THE IRS AS IT IS NOW KNOWN

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania [Mr. FOX] is recognized for 5 minutes.

Mr. FOX of Pennsylvania. Madam Speaker, I rise tonight to speak on a very important topic, and that is to eliminate the IRS as we know it, and I have to thank my friend, the gentleman from Tennessee [Mr. DUNCAN], who has outlined well the case for why we in Congress, the House and the Senate, working together with the executive branch, must make these fundamental changes.

We have a Tax Code that is over 5 million words, an agency that has 113,000 agents, and there are really two issues here. The two issues are these: First, we need to have IRS change, and then we need to make sure that in fact the code itself changes and we have a new system.

The IRS has to change because we have the abuses caused by the kind of burden of proof that is required. Right now in the United States the Commissioner of the IRS is presumed to be correct and the taxpayers are presumed to be guilty. In no other part of Anglo-American law is anyone presumed guilty before evidence is presented. It seems to me that that is a very fundamental, logical, reasonable change that has to be made, legislatively speaking, right here in the House and as well in the Senate.

Beyond making the burden-of-proof change, we should see a change, I believe, in the culture of how the investigations are conducted. We have heard case upon case last week in the Senate Committee on Finance and I, in my district in Montgomery County, Pennsylvania, have seen where regular business people, individuals and families have been terribly hurt by investigations without probable cause, where we have bank accounts seized, businesses closed, individuals' lives turned upside down because there may have been a belief, without evidence, that something was wrong.

The fact is in many cases the IRS has overstepped its bounds. There have been quotas for having cases brought, for convictions being made, and when in fact this has been turned over. We need to make sure the IRS is changed so that when there is an investigation conducted it is with probable cause, and we will not have bank accounts seized, we will not have businesses closed and we will not have lives turned upside down.

We need to make sure we provide those kinds of safeguards that already exist in the private sector. If someone wants to bring an action in a civil court, they have to have probable cause. And if a person brings injury against someone else, they have to pay just compensation. The United States should have the same burden so that the taxpayers are protected.

That is why I am sponsoring and cosponsoring legislation in this Congress to make the changes on the burden of proof, on changing the IRS, and on having a date certain by which we do that. By the year 2000 we will have a replacement agency which will oversee, hopefully, a new IRS and as well a new code.

The current code, with all the words and all the exclusions and all the exemptions seem to favor only a few while taking money from the many. We want to see the possibility of flat tax, one that would have exemptions, of course, for mortgage deduction, for State and local taxes that are collected, as well for charitable deductions.

Those kinds of reasonable changes will be the kinds of changes that the American people can embrace. And Congress has to lead the way in response to the abuses that have been outlined not only in the Senate Committee on Finance, Madam Speaker, but as well in the Committee on Ways and Means with the oversight hearings that are being conducted.

I am hoping colleagues on both sides of the aisle will join together to make those changes, because I know there are people in every State that have had these abuses. They must end. And while most of the IRS are doing a good job and care about what they have as a career, we have set up the circumstances by creating a system with an unfair burden of proof with a runaway agency because of the culture that was created years ago.

Those fundamental changes must be made. We can downsize and we can make sure that we are delivering to the people the kind of government they want and the kind of protection they want. And so I thank my colleagues for their support in this new legislation.

IRS, MEDICARE, AND SOCIAL SECURITY

The SPEAKER pro tempore. Under the Speaker's announced policy of January 7, 1997, the gentleman from Wisconsin [Mr. NEUMANN] is recognized for 60 minutes as the designee of the majority leader.

Mr. NEUMANN. Madam Speaker, I have been sitting in the Chamber listening to the 5-minute speeches that have been going on, so I want to start tonight by proposing some new legislation as it relates to campaign finance reform.

And here is what our legislation will do. We will make it illegal to make fund-raising phone calls from offices that are paid for by the taxpayers of this great Nation, so in the future it will be illegal to make phone calls from offices that are paid for with tax dollars.

We will make it so that the Lincoln bedroom, a very important part of our heritage in this great Nation, is no longer for sale for purposes of raising money for any political sort, whether it be Republican, Democrat or otherwise.

And the third thing our campaign finance reform bill will do is it will make it illegal for foreigners to contribute to, that is, buy, election influence in the United States of America.

Those are the three points of our campaign finance reform bill that I would hope to introduce.

The gentleman from Pennsylvania is nodding his head, and I would yield to him for a comment.

Mr. FOX of Pennsylvania. Well, Madam Speaker, I thank the gentleman and would just tell him that this is a takeoff of legislation I started about 8 months ago on the Lincoln bedroom. But I think the gentleman's legislation is a little more comprehensive, and I, frankly, would like to cosponsor the gentleman's bill and make sure we carry the message forward.

I think when the public and our colleagues hear about this particular abuse or that abuse, I think a comprehensive bill that would embrace all of the changes would get the attention, I believe, not only of the public but as well the Speaker and the leadership. So I would like to work with the gentleman on that legislation so we can have both sides of the aisle embrace it and have it pass in this session.

Mr. NEUMANN. I would tell the gentleman from Pennsylvania that two-thirds of this is already illegal in the United States of America. Unfortunately, we have these laws on the books already and they are not being enforced.

So I thought maybe after all we had been hearing about this campaign finance reform here tonight, that we should go back and redo the laws already on books, just write them over again exactly the way they are, and start enforcing some of the laws already on the books to clean up some of the mess out here before we try to add more laws.

Mr. FOX of Pennsylvania. Perhaps we should make sure the Attorney General is aware these are the laws so that she can make that a priority while she moves forward in making sure the Justice Department is effective and efficient.

Mr. NEUMANN. So perhaps we should re-pass them in that case.

I want to move forward now in a much more direct manner here. I would like to dedicate the rest of this hour to a very important person, and I want to pay special tribute to him this evening. My father had his birthday last week and I want to just pause tonight to recognize how important he and other people like him are in the lives of people like myself.

Without dad, and dad's influence in my life and his understanding and leading me through many tough situations in our life, and being an active help in our campaigns, both when we won and when we lost, I for one would not have been elected to this Chamber and we would not have brought about some of the changes that are happening.

I thought I might just dedicate a small portion of this to some of the changes that are being made specifically for senior citizens, and specifically after discussions with my own parents and an understanding of how influential they have been in my life, and, dad, I should pause long enough to say thank you this evening to dads all across America, my colleagues' dads, that have been so influential in changing America.

For senior citizens I do think it is important to know that Medicare, that was on the verge of bankruptcy in 1993, has been restored and Medicare is now solvent, so our senior citizens can rely on Medicare. There are some changes in Medicare, though, that came about after having these discussions with our senior citizens.

First, the attention is being turned to preventive care as well as care only after the disease or problem has developed. Things such as screening for breast cancer, screening for prostate cancer, blood sugar monitoring for diabetics, screening for colorectal cancer, these are things that have been added now as a preventive measure that in the long term will help our seniors live a healthier and better life. And I think it is a big move forward as we look at Medicare.

It is also important to point out that as Medicare was restored, it was done without raising taxes on the American people. It was done by providing our seniors something they never had before. Before the legislation that has just passed, the Federal Government decided what health insurance was necessary for our senior citizens and then they designed one-system-fits-all and said, senior citizens, like it or not, here is your health care.

The outcome of that, the outcome of Washington developing a one-size-fits-all health care policy, was that senior citizens like my parents were paying $43 a month, $43.50 a month to buy part B Medicare insurance. And on top of that they were going out and buying supplemental insurance to go with it to help pay for the things that Washington did not deem it appropriate to pay for.

Under this new plan our senior citizens will have the choice of staying on Medicare as they know it today, or they may take those same dollars and buy a different private sector policy.

I was talking to Mom and Dad about this particular aspect of the Medicare thing recently, just before we passed the bill, and they said to me, "Well, I think I am staying on Medicare." I said, "Well, Mom and Dad, is there any other program out there that you have seen that you like, that you might even give small consideration to switching to?" They came up and talked about one they thought might be okay, but it was still in the developmental process.

That is what this legislation is all about. I know and respect my parents and I know that the senior citizens in this Nation are capable of making good decisions for themselves. I know that like my mom and dad, if Medicare is the best thing for them, they will make the decision to stay on Medicare. But there are certainly very talented, capable people that are ready to look at other programs out there and they are certainly capable of making the choice to do something different, and that should be their freedom and their prerogative, and I am happy to say that is a significant change.

Mr. FOX of Pennsylvania. If the gentleman will yield, I wanted to add that I appreciate the gentleman's leadership on these issues, especially dealing with seniors and making sure that Medicare is approved.

One of the other items I want to thank the gentleman for working with me on is making sure we fought back the Senate changes that were proposed to raise the eligibility age for Medicare from 65 to 67. We fought that back and won.

There also was the Senate proposal to have a means test, and we fought that back, for people that had already invested in their work, from the time they were working for Medicare. We won on that.

And there was also to be an increase in the co-pay, the Part B for home health care. We fought that back. So we were able to make sure not only were the prevention programs the gentleman worked on, to make sure they were a part of the Medicare package, but also we were able to maintain the kind of program as it is, without the means test, without the increased co-pay and without raising the age of people who are on Medicare.

Mr. NEUMANN. I sincerely hope that our colleagues and our colleagues' parents all across America will look to our parents and thank them for their contribution as Medicare has been restored.

I thought, continuing this theme of dedicating a portion of this to my father, in honor of his birthday, I thought we would also talk about the Social Security System, because I know how important that is to my parents in their lives and what it means to them to receive a Social Security check, and what that means to other senior citizens all across America.

Today, Washington, the government, is collecting dollars out of the paychecks of people, working families, so that they have money in here in this fund called the Social Security fund so they can give Social Security checks back out to our senior citizens. Today they collect more money than what they pay back out to our senior citizens in benefits.

Now, with that extra money, it is supposed to be set aside in a savings account. And the savings account is supposed to grow and grow and grow, to protect our seniors, to protect the Social Security System as we know it today. Well, it should come as no great surprise to anyone out here that before we got here in 1995, since about 1983 that extra money that has been coming in has been spent on other government programs instead of being set aside to preserve and protect Social Security.

So we have introduced legislation out of our office called the Social Security Preservation Act. The Social Security Preservation Act, it is not like Einstein kind of stuff. It simply says the money coming in for Social Security must be put in the Social Security Trust Fund.

The idea of collecting this extra money out of the paychecks of working families is that when the baby boom generation moves towards retirement, and there is not enough money in the Social Security Trust Fund to make good on the Social Security checks, instead of going to senior citizens like my parents saying, "We can not give you Social Security any more," the idea was that there would be enough money sitting there in the savings account, so when there was a shortfall

they could go to the savings account, get the money, and make good on the Social Security promises to the senior citizens.

The legislation that we have introduced, called the Social Security Preservation Act, very simply would require that the money coming in for Social Security would be put in the Social Security Trust Fund and would stay there.

Mr. FOX of Pennsylvania. If the gentleman will yield, I think the gentleman's bill certainly is an idea whose time has arrived. I cosponsored the bill as soon as it was introduced.

I know, having been a senior citizen advocate myself, making sure my parents had the benefits of Medicare and Social Security, I know that in prior Congresses, before we arrived, they had in fact helped to balance the budget on the backs of senior citizens by borrowing money from the trust fund, I think to the tune of about $380 billion.

□ 2000

So, hopefully, with the line-item veto, with the downsizing of certain Government programs, hopefully with legislation that I have to sunset agencies and departments that are duplicating the State government work, that we will be able to make sure over a period of time with my colleague's bill, which we cosponsored, be able to pay back to the trust fund the kinds of moneys that we want to have in there so that when they say now the funds are secured until 2029, but this will take it well beyond 2029, so that future generations of senior citizens will also have the benefit of the Social Security system.

Mr. NEUMANN. Reclaiming my time, that is great and that is where we should be going with the future of this country.

Another thing I know my parents and they have talked to me a lot about and most senior citizens in this country, they want to give a Nation to their children that is better than the Nation they received. They want to fulfill their responsibility to this country, just as generations before them have done.

One of the problems that has developed over the last 15, 20 years is the growing debt facing America. And they are very concerned about this, and they are very concerned that this is the legacy that will be passed on to the next generation. So I thought I would take a few minutes and talk about how we got to where we are, how deeply in debt we as a Nation are and what we need to do to fix the problem and how things have changed in the last few years.

This chart I brought with me shows how the debt was growing starting in 1960 to 1980. You can see how it is a relatively flat line, but from 1980 forward, this thing has gone off the wall. Let me put this in perspective, because there has been a lot of partisan stuff going on here on this floor this evening.

When I look at 1980 and I say, look, that is when this thing started really climbing here, 1978, 1979, a lot of people go, well, that was the year Ronald Reagan was elected to office. That is what all the Democrats say. They say, therefore, it is the Republicans' fault.

And all the Republicans say, well, now wait a second. You ought to really understand what is going on here. All spending originates in the House of Representatives. That is the Constitution. And, therefore, since the House was controlled by Democrats, it is absolutely the Democrats' fault that we are this far in debt.

The reality of this situation is that when we look at this debt chart, we are currently up here. And it is now an American problem; and whether you are Republican or Democrat, it is our responsibility as American citizens to do something about this mess before it brings this Nation to its knees. That, basically, is what has been going on out here since 1995.

I want to put this in perspective because I know this is the part that concerns my parents a lot and I know it concerns a lot of senior citizens. The debt today currently stands at about $5.3 trillion. If you have not seen that number before, it has got about 12 zeroes after it, or 11 zeroes after the 3. It is a huge number. Remember, this is the amount of money that this Government has seen fit to spend over and above what it collects in taxes.

To put it another way, and this is the old math teacher in me, I used to teach math before I was a home builder, if you divide the debt by the people in the United States of America, the Federal Government has borrowed $20,000 on behalf of every man, woman, and child in the United States of America.

I would encourage my colleagues to go to a city in their district on a very busy day and look at the crowds of people and just start looking about what it means for this Government to have spent $20,000 on behalf of every man, woman, and child in the United States of America more than what it collected in taxes. For a family of five, like mine, of course that means they have spent $100,000 more than what they collected in taxes.

Here is the real problem with this growing debt. Today a family of five in America pays an average of $580 a month, every month, to do absolutely nothing but pay the interest on this Federal debt. That money is actually borrowed. It is borrowed by when people buy T bills and people invest in T bills across America. This money is actually borrowed and there is interest being paid on it. The average cost of interest for a family of five is $580 a month.

A lot of people say, "Well, I do not pay $580 a month in taxes, so I do not have to worry about it." But the facts are, if you do something as simple as buy a loaf of bread in the store, the store owner makes a profit on that loaf of bread and part of that profit comes out here to Washington, DC to do nothing but pay interest on the Federal debt.

It is staggering the impact that this has on our economy today. And the nice thought is what would happen if we paid this debt off so that this $580 a month could stay in the homes of those families instead of being sent out here to Washington, DC. What a change to America this would really be.

Mr. DUNCAN. Madam Speaker, will the gentleman yield?

Mr. NEUMANN. I yield to the gentleman from Tennessee.

Mr. DUNCAN. First of all, I would like to commend the gentleman from Wisconsin [Mr. NEUMANN] for his comments. I did not know he was going to get into the campaign financing. But I think all of the people of this country would prefer to have an administration in power that gives more influence to American citizens than it does to representatives of foreign campaign contributors. And I certainly agree with the comments of the gentleman on that.

But I rise tonight especially to commend him for his concern about this horrendous national debt that we have. I went recently in Knoxville to the Cedar Springs Presbyterian Church. The minister, John Wood, prayed what I thought was a very interesting prayer. He prayed for those who had come there that day hurting in some way due to a family problem or a business problem or a health problem. But he then said he was praying most especially of all for those who had come in a complacent mood and did not think they needed any help and thus needed it perhaps most of all.

I think in some ways that describes a little bit the condition of the country today, because some people think that because the stock market is temporarily high that things are better than they really are. But this $5½ trillion national debt puts us on very thin ice economically, as the gentleman from Wisconsin [Mr. NEUMANN] has pointed out.

Then, on top of that, we have these looming Federal pension obligations, Social Security as my colleague mentioned, the Federal pensions, the military pensions, horrendous obligations that in other countries, the only way that governments have been able to meet those obligations is by either drastically decreasing benefits or drastically inflating the money.

Sometimes when I speak in high schools I tell some of the young people, "I know when we say we have a $5½ trillion national debt that maybe your eyes glaze over and you think it does not have any effect on you. But it really does." Every leading economist says

it is like a chain hanging around the neck of our economy, holding us back. Times are good now for some people, but they could and should be good for everybody. People making $5 and $6 an hour can be making $10 or $12 an hour if we did not have this horrible debt.

We are getting ready, shortly after the turn of the century, to face some of the biggest problems that this country has ever faced. And if we do not start doing things like the gentleman from Wisconsin [Mr. NEUMANN] is talking about, starting to pay this national debt back and getting Federal spending under control, as I pointed out in my 5-minute special order a few minutes ago, Federal spending, in spite of all the publicity about cuts, is still going way up every year.

So I salute my colleague for the work he is doing in this regard. It is very, very important for the country, especially now while we still have a chance to do something about it.

Mr. NEUMANN. Reclaiming my time, the statement of the gentleman from Tennessee [Mr. DUNCAN] about complacency and the pastor's words reminds me of a saying that has been ringing very much in my ears as we contemplate the next election cycle. And that is not about us but rather about the people in America. It goes something like this: "In order for evil to succeed, good people need only sit idly by."

That is, effectively, what has happened over the last 15 or 20 years in this Nation. We are going to talk a little bit about how we got here and how different it is in the last 3 or 4 years, because there is some reason for optimism. Some things have changed. We still have got that huge problem that they passed to us. But there are things changing out here, and it is important that people know about that.

Mr. FOX of Pennsylvania. If the gentleman would continue to yield, I have to agree with the gentleman from Tennessee [Mr. DUNCAN] when it comes to saluting the leadership of the gentleman from Wisconsin [Mr. NEUMANN], really being a trailblazer when it comes to the deficit question, and also his work on the budget committee.

Particularly, when we look to the balanced budget, I know from Alan Greenspan and people like the gentleman from Wisconsin [Mr. NEUMANN] and the gentleman from Ohio [Mr. KASICH], chairman of the committee, by having a balanced budget finally by the year 2002, we are in fact going to reduce interest costs for cars, interest costs for college, and interest costs for home mortgage.

But would my colleague explain to me, under his Debt Repayment Act, what is the effect going to be for the homeowner, for the family, and how long will it take us to succeed, over how many years will it take for the Debt Repayment Act to take full effect?

Mr. NEUMANN. Reclaiming my time, I think if I could take just a couple minutes first and show how we got into this mess and how much things have changed, and then let us go forward to the future. I think it is important for any group of people to understand how they got to where they are, if in fact things are changing, and where we might be headed to in the future.

I brought with me a chart today to show how we did get to where we are and what was going on in the past. Before 1994, and this credit should go to the American people, before 1994 what was going on was Washington was promising that they were going to balance the budget. They were recognizing how serious a problem this national debt was.

This blue line shows what they promised to do with the deficit line hitting zero, or a balanced budget, in 1993. The red line shows what they actually did. And I think it is important to understand that in the past they had Gramm-Rudman-Hollings, the first one, and then Gramm-Rudman-Hollings again. And then another promise in 1990, and 1993 came and went and of course there was no balanced budget.

In fact, in 1993 they looked at this and they said, well, we cannot control Washington spending. So there is only one other alternative if we are serious about doing something about this, and they did it. They reached into the pockets of the American people and they collected more taxes out.

I have been starting some of our group meetings to show how different things are today than they were before by announcing a very important piece of legislation. Here is what it does: It raises the top income tax bracket from 31 to 36 percent and tacks on a 10-percent surcharge. It makes the tax increase retroactive to January 1 of this year. It raises Social Security taxes on our senior citizens, and it raises the gasoline tax. Just in case we missed anybody with the first group, it raises the gasoline tax by 4.3 cents a gallon and does not even use the new money that it has taken in for roads; it directs the money to social welfare programs.

I start talking about this legislation because it gradually dawns on people that that was the 1993 tax increase bill. That was what they did out here when they looked at this picture in 1993. In 1994, the American people were fed up with this and they said "no more."

I would add that that tax increase, the solution to this problem of taking more money out of the pockets of people, that solution passed by one vote in the House of Representatives and it passed by a single vote in the Senate. I might add, and I do not want to turn this into partisanship but I have tried not to, there was not a single Republican vote for that tax increase back in 1993 because Republicans had a different idea.

We thought that the right way to balance the budget was by controlling the growth of Washington spending, a very different picture. Well, Republicans did take control of the House of Representatives in 1995, for the first time in a long time, and the Senate. And I think what happened in 1995 should be looked at very carefully by the American people, because the American people have had these promises in the past and they have always been broken.

When the change occurred in 1995, we laid a plan into place that was very much like this blue line. We said that by the year 2002 we were going to balance the Federal budget. I have that on the chart here. Here is our promised deficit stream when the Republican plan passed in 1995. But it is very different than the outcome. We are not only on track but ahead of schedule. My colleagues will notice the red line is in the opposite spot from where it was up here. We are not only hitting our targets, but we are far ahead of our targets, and we are going to provide the American people the first balanced budget since 1969 next year, 4 years ahead of schedule, not broken promises, no excuses as to why it cannot be done. It is done, and it is done 3 or 4 years ahead of the original promised schedule.

That is a phenomenal change in what is happening in Washington from this picture and raising taxes, to this picture, balancing the budget, on track, ahead of schedule, and at the same time saying to the American people "it is time you had a tax cut."

For the first time in 16 years, a tax cut is going to be delivered in this year. It is actually signed and into law. The ink is dry. The tax cut is there. If we get time later on in this special order, I would like to go through some of the things in the tax cut. But for now I would like to move a little bit farther forward and show how it is possible that we get to a situation where we can both balance the budget 4 years ahead of schedule and at the same time lower taxes for the American people.

What this chart shows, the blue line shows the growth in revenue. And we see that the growth in revenue from 1989 to 1995 was going up at about the same speed that spending was going up. What that meant was that all the new money coming into Washington was immediately being spent on new Washington programs.

But in 1995, the revenue kept going up at a pretty good pace, but the red line started going up at a slower pace. Well, when spending goes up at a rate slower than revenue growth, the lines crossed quickly. So the reason we are in a position today where we can both have a balanced budget 4 years ahead of schedule and provide tax relief to the American people is because the revenues have continued to go up

strong, but instead of letting spending go up with them, spending has been curtailed.

I have got another chart here to put this in perspective. Because one thing that I hear when I am out in public at town hall meetings, as a matter of fact I heard it in a meeting this morning before I got on a plane to come out here, the general concept is, "Well, the economy is doing so well; and because the economy is doing well, you politicians are trying to take credit for how good the economy is."

Again, the facts are significantly different than that. I would first point out that between 1969, the last time we had a balanced budget, and today, we have had a lot of good economies. But in the past when there was a good economy, Washington simply expanded the spending to a point where the deficit remained. That is why we have had a deficit every year since 1969.

This Congress is different. The revenues did come in faster than expected, and the revenues are coming in good because the economy is strong. But with the revenues coming in, the growth rate of Washington spending has been slowed by 40 percent in 2 years. This chart is extremely significant in understanding how we can both balance the budget and reduce taxes at the same time.

Before we got here, spending was growing at an annual rate of 5.2 percent. It is now growing at a rate of 3.2 percent. So, in the face of strong economy, extra revenues coming in, instead of doing what past Congresses have done, and that is find new ways of spending it here in Washington, at the same time the economy is very strong, spending growth has been curtailed in this city. And that is what got us to this position where we are going to have our first balanced budget since 1969 and our first tax cut in 16 years.

□ 2015

This whole system works because we have curtailed the growth of Washington spending. And let us go a step further. When we curtail the growth of Washington spending, that means Washington borrows less money out of the private sector. Well, when Washington borrows less money out of the private sector, that means there is more money available in the private sector. More money available, law of supply and demand; again, this is not complicated. The law of supply and demand says: When there is more money available in the private sector, the interest rates will stay down; and, again, this is not unexpected.

We had hoped that the result of those lower interest rates would be a strong economy, where people bought more houses and cars because they could afford them easier with the low interest rates, and in fact that is exactly what is happening, and that is spurring on our economy today better than anything else we could have done.

So when government spends less, they borrow less out of the private sector, it leaves more money available in the private sector. With more money available in the private sector, the interest rates stay down, and when the interest rates are down, people buy more houses and cars, and the logical next step when people buy more houses and cars, somebody has to go to work building those houses and cars, and of course that is what leads us to more job opportunities for our people.

Mr. FOX of Pennsylvania. Mr. Speaker, if the gentleman would yield, I think that is one of the best items you just pointed out.

When you talk about getting the budget in balance, two major facts: First, we have lower interest rates for cars, college, and for the home; and we also increase, because companies are doing better, more job opportunities. So we are lowering the unemployment rate, and by doing that, there are more people employed, and those who are employed have a better chance of rising up within their own business, and we also stabilize the tax base, because you have more people paying into the tax system, and hopefully at lower rates because of our new programs.

Mr. NEUMANN. Exactly.

Would the gentleman, reclaiming my time?

Mr. FOX of Pennsylvania. Certainly.

Mr. NEUMANN. The wonderful thing to think about here is, it is more than about these numbers and charts; it is about my two kids are in college and my other one, who is a freshman in high school, it is about these kids and whether or not there are going to be job opportunities right here in America or whether we are going to find ourselves in a position where, in order for my children to have hopes and dreams and the opportunity to live the American dream that we have had in this great Nation, it is about whether they are going to be able to do that at home in Wisconsin or whether they are going to have to go over to a Pacific rim country, or China, or wherever, in order to have the hopes and dreams and the opportunities that we have had during our generation. That is what this is about. It is about whether or not our kids are going to have an opportunity to live the American dream.

I thought I would show one more chart, because another thing that comes up a lot of times when I am out at public meetings is, they say, well, who is supposed to get all the credit for this thing, and are not you afraid somebody is going to get the credit, and Clinton is going to get credit for what you guys have done, and how are we going to stop that from happening? And this is how the discussion goes. And I brought a chart to kind of show what would have happened had we not been here.

In 1995 when we took office, in 1995 when we took office, if we had played golf and tennis and basketball instead of doing our job, this is where the deficit was going. This is where the deficit was going when we got here and what we inherited when my colleagues and I took office in 1995.

This yellow line shows what happened after 12 months, and some people remember our first 100 days, the battles that went on. If we had quit after the first 12 months, the deficit would have followed this yellow line. The green line shows what we had hoped to do, and the blue line shows what is actually happening. And, again, the emphasis here is how far we have come from 1995 to 1997 and what a phenomenal change there is in this great Nation we live in.

I would be happy to yield.

Mr. FOX of Pennsylvania. I think, you know, you deserve a great deal of credit for being a visionary on this. You know, while some people look at one bill at a time, you are looking at it from a 4- or 5-year projection. As you are looking for your children and eventually your grandchildren, you are giving a real vision to this Congressman.

The question I have, MARK, is, how do we know that we can assure this for the years to come? We know we have done for the 104th Congress and 105th the Congress. What kind of budget discipline and what kind of legislation can be achieved so that the same kind of graph that you have been showing, where there is going to be more opportunity, your children will fulfill their dreams and have a job and give less money to the government and more money back in their pocket for their children to fulfill their dreams, what kind of legislation do we need in order to make sure that the dreams of your children will be fulfilled?

Mr. NEUMANN. Well, I think the logical next step in this whole thing is the answer to that question. That is, after we balance the budget, we still have that $5.3 trillion debt that our generation is going to give to the next as a legacy if we do not do something about it.

So while things have changed a lot since 1993 and the broken promises and tax increases of the past to a point where we are on track balancing the budget and providing tax relief to the people, restored Medicare, good things, but we have to ask, where are we going next?

And the answer to that is, we need to start making payments on the $5.3 trillion debt, and the easiest way to describe what we are suggesting that we do in our legislation, I know we have cosponsored this bill together, and people in Pennsylvania are very fortunate to have a person like yourself here to help with this kind of legislation; what we are doing is proposing, very much like on a home mortgage, just like all

the folks out there that have a home, and they borrow money to buy the home, they make payments on their home mortgage, we are effectively suggesting that we do exactly the same thing in that $5.3 trillion debt.

We have introduced a bill called the National Debt Repayment Act, and what the National Debt Repayment Act does is, it caps the growth of Washington spending, it controls the growing Washington spending, at a rate 1 percent lower than the rate of revenue growth, and it has to be at least 1 percent lower. That creates a surplus.

With the surplus created, we take one-third of the surplus and dedicate it to additional tax cuts, and two-thirds of it goes to start making those mortgage payments on the Federal debt, and it is real important, when the mortgage payments are being made on the Federal debt, we are also putting the money back into the Social Security Trust Fund that has been taken out over the last 15 years.

So our National Debt Repayment Act would pay off the entire debt by the year 2026 so our children could inherit this Nation debt free, but it would also restore the Social Security Trust Fund.

And I said earlier this hour that I am dedicating this special order to my father, who had his birthday last week. Senior citizens should be in droves behind this kind of legislation because by putting the money back into the Social Security Trust Fund, Social Security once again will be safe and secure, and for the people in the work force this will provide additional tax relief each and every year.

I brought a chart with me to kind of show how this would work and show what actually happens in picture kind of form. The red line, again, is the spending growth, and you can see spending still going up. So for those that are concerned that Medicare, Medicaid, or whatever will not be there, spending is still going up. And I might just add a personal note here.

If this was me, spending would not be shown going up this fast, and if I was in control of Congress where the conservatives were actually the majority in this body, this spending line would be much slower, it might even be flatlined, so we would even shrink Washington spending much more. But even with spending going up at a small rate, if you keep it going up at a rate 1 percent lower than the rate of revenue growth, the blue line shows the rate of revenue growth, the red line, the spending growth; if the red line is going up slower than the blue line, that creates the surplus in between here, and one can see how the surplus develops, giving us the revenues necessary to pay back the Social Security trust fund, to pay off our debt so we can give this to our children debt free and we can dedicate some of those surpluses to additional tax cuts for the American people.

I would be happy to yield to the gentleman.

Mr. FOX of Pennsylvania. People will say to us, well, this sounds good, but what happens in times of emergency, and what happens in a time of war?

Mr. NEUMANN. The bill kicks out actually during the time of emergency and during the time of war, and remember, the bill says we have to keep at least a 1 percent difference in this growth rate.

There are going to be other times where it is more than a 1 percent gap; that is, spending is going to be going up much slower than the rate of revenue growth. We happen to be in one of those times right now. As a matter of fact, revenues to the Federal Government today are growing by 7.3 percent, and spending is only going up by 3.2 percent. There is a 4-point spread in there right now. This chart shows how it works with only a 1-point differential.

So during the good times like those that we are in right now, I think we find a wider than 1 percent spread, and during those bad times the bill would kick out, because in all fairness, if we are in a war, I do not think we want this sort of thing restricting us, and if we went into some sort of a major recession, there may be a reason for the Government to actually spend more money.

Today, that is not the case. Today, our economy is booming. There are job opportunities for people. We are seeing the welfare rolls decline with the welfare reform that went through a year ago. We are seeing a lot of good things happening in our country, but we do not want to tie our hands with this sort of legislation that we could not adjust in the event of an emergency.

Mr. FOX of Pennsylvania. Well, if the gentleman will yield, the National Debt Repayment Act is certainly a bill that both sides of the aisle should be supporting, and, frankly, I would like to see the Senate support it once it gets there after we pass it.

But with regard to tax legislation, where we have seen great reform in this session which you and I supported along with our colleagues, we have reduced, we have a $500 per child credit, reduced capital gains tax, increased the inheritance tax exemption, and one of the most important items, tax credits on education.

Do you think we could be going to a time, maybe next year, the second session of the 105th Congress, where we can further reduce capital gains, which will increase savings, new jobs, and growth?

Mr. NEUMANN. Well, that is what this bill is all about really, is it does provide one-third of this surplus for additional tax cuts as we move forward.

The gentleman mentioned that this needs to happen in the Senate as well. I would just point out that in the Senate of the United States there is not a single Member over there as of yet that is interested in introducing the Social Security Preservation Act which we talked about earlier. That is the bill that forces Social Security money to actually stay in the Social Security trust fund. Not a single Senator yet has moved forward. And on this National Debt Repayment Act, what seems to me to be the logical next step, not a single Senator as of yet has sponsored the bill. And I am optimistic that we will see movement in that direction because it does, after all, take passage in both Houses in order to get this job done.

On the tax cuts, maybe we should go into the tax cuts that have already passed, and remember, the bill is currently on the table to sunset the entire IRS Code and replace it with something that is simpler and fairer, easier for our people to understand, by the year 2001.

So I anticipate we are going to begin an immediate debate over an entirely new tax system, something people actually can understand, and they will at that point be able to figure out their own taxes and understand, if there is a tax increase, they are going to know about it.

And there is one thing I know for sure. If they know their taxes are being increased, politicians are going to be much less likely to increase them. In 1993, the way they got away with it is, they demagogued it, saying it was only tax increases on the rich. Well, the reality was, you were rich if you owned an automobile and filled it up with gasoline, because when they were done, taxes went up by 4.3 cents a gallon as well as a 2.5 cent extension in the gasoline tax.

So that is part of it, but maybe we should talk about the Tax Code and how it has changed. And, again, I think we need to look back to 1993 when taxes were going up and see that this is good even though it is a little complicated. Should we start maybe with the one that is going to hit the most families? I do not know how many families it hits in Pennsylvania. I know in Wisconsin, 550,000 families are eligible to keep $400 per child more of their own money in their own house instead of sending it out here to Washington, DC.

Mr. FOX of Pennsylvania. If the gentleman would yield, my own county, Montgomery County in Pennsylvania, in my district, 108,000 families will have the benefit of the $400, eventually $500, per child tax credit. That will go a long way to help pay other bills.

Mr. NEUMANN. You have got 108,000 just in your county in Pennsylvania, and we have only got 550,000 in all of the State of Wisconsin. Our people had better start having more kids in Wisconsin so we catch up.

Seriously, it is important for my colleagues to understand that next year,

starting in January, for each one of those children under the age of 17, on January 1 they can go into their place of employment and adjust their withholding taxes so they start keeping $33 per month per child more in their own paycheck instead of sending it out here. The $33 a month is the $400 total divided up over the 12 months.

So if you have got a family of five, three kids under the age of 17, what they should do in January of next year is go in and increase their take-home pay by $100 a month. That is what this tax cuts means to the 550,000 families in Wisconsin and the 108,000 in your county in Pennsylvania.

The other thing is, I think the emphasis on education in this tax bill was real important. I always talk to our groups, and I ask if anybody has got a freshman or a sophomore in college, and inevitably we see a bunch of hands go up. For a freshman and sophomore in college, in the vast majority of the cases, the parents will be able to keep $1,500 more of their own money instead of sending it out here to Washington.

And I want to be as clear as I can be on this. This is not a deduction. This is as in you figure out your taxes, and when you are all done figuring out how much you would have owed, if you are a freshman or sophomore, spent $2,000 on their college tuition, room, board, and tuition, you subtract $1,500 off the bottom line. You figure your taxes out, and you subtract $1,500 off the bottom line for a freshman or sophomore in college. For a junior or senior in college, it is 20 percent of the first $5,000 of costs, or in many cases $1,000 for a junior or a senior.

And, again, it is important that our constituents understand that this means that in January of next year, if you have got a freshman in college, you simply go in and take 1,500 divided by 12, or $125 a month more in your take-home pay. There is nothing else you have to do; you just take home an extra $125 a month.

For a family of five in Wisconsin, we have got some church friends, one in college, freshman in college, two still at home. This family is eligible for $2,300 next year, and I know in this particular family that they are working several jobs in order to make ends meet.

Just think what this tax cut package means to a family of five, where the mother and father have been working not only their regular jobs but an extra job or two in order to get ready for Christmas. Next year, this family is eligible to keep $2,300 more of their own money instead of sending it to Washington.

Mr. FOX of Pennsylvania. If the gentleman will yield, I think one of the most important parts of the tax package is the education tax credits, because there are so many young people who want to go into higher education, whether it is junior college, community college, regular college, whatever kind of higher education, leading to a satisfying job. They want to know that they have got the chance, that their parents will get the kind of credit off their taxes to encourage them to get that extra education. They can make sure they get a better job, and their families will certainly have full opportunity.

□ 2030

Mr. FOX of Pennsylvania. So I will continue working with the gentleman in Congress to make sure we expand educational opportunity so each person can be all they can be educationally, vocationally, and within the society.

Mr. NEUMANN. Madam Speaker, the other one that relates to education, in the same area, is the $500 per child education savings account. I have a lot of grandparents that say what should we give our grandchildren for this particular birthday or this particular birthday. This account has been set up so that the grandparent could conceivably put $500 per child into a savings account that would then stay in the savings account until the child reaches college age. The child then, the interest accumulates tax-free and the child could then take it out when it is time to pay for their college education.

Of course, it is not only grandparents that could do this, parents could do this if they have the financial wherewithal, but it is an account that allows families to start saving for their children's future education, where the interest accumulates tax-free in the account. It is called the educational savings account and works sort of like an IRA used to work.

Mr. FOX of Pennsylvania. Madam Speaker, if the gentleman would yield, we also have the Coverdell and Gingrich bill, a plus account, which will be an additional $2,000 towards college education.

So I think whatever we can do to give the students the opportunity to attend the college of their choice, the institute of their choice, whatever it may be, then I think the Congress, moving educationally, we are doing the right thing for all of our people.

Mr. NEUMANN. Madam Speaker, reclaiming my time, does the gentleman think these education accounts that we have just talked about point out how different things are in Washington?

Five years ago, if this would have been the discussion, it would have gone like this: Well, we are going to raise taxes on the people, get more money out here in Washington, and then we here in Washington are going to decide which families out there in America have a right to get some of this money back.

That is not what this is about. This says people that have worked hard to earn a living, and whoever they are, if they have children under the age of 17, keep $400 more of their own money. They have to earn it first; it is their money, they have to earn it, but after they have earned it, they keep it in their own home instead of sending it to Washington. It is not Washington deciding which people are going to be eligible and collecting more tax dollars like they did in 1993, but rather, it is a tax cut. It simply says if they earn the money, the kids are under the age of 17, keep it in their own home; we know they know how to spend it better than the people here in Washington. It is really great to look at these kinds of tax cuts as opposed to what might have gone on before.

Why do we not jump out of education. I hear a lot of times when I am out at our town hall meetings, well, MARK, I do not have any kids, and since I do not have any kids, I am not eligible for any of those tax cuts. Well, there is a few other things in here, and I talked to a union worker in particular. He said, "My kids have gone and I am not really thinking about selling my house and I am not really eligible for anything." I said to him, "Are you thinking of saving to help take care of yourself and retirement?" He said, "I know you are going to talk about IRA's, but I already have a 401(k) at work." I said, "Would you consider saving more for your retirement, if you could, tax-free?" He said, "Yes, I would be interested in doing that, but I am not going to be eligible because I have a 401(K) already."

The new tax cut package has changed that. Even if people are eligible for a 401(k) at work, under the new tax plan, it is called the Roth IRA. People can now put $2,000 per person per year into a savings account. Now, they are putting in after-tax dollars as opposed to before-tax dollars. They are putting in after-tax dollars, but the interest accumulates tax-free, so if they put the money in this year, whatever they earn on that money between now and retirement, when they get to retirement and take the money out of this account, the money that they take out is absolutely tax-free. So they put $2,000 per person per year into the account, they pay tax on that money this year, but when they take it out in retirement, it comes out to them absolutely tax-free. There is no tax on the increased value of that $2,000 they put in.

The nice thing, I have a lot of young people that say, "Well, MARK, I am not sure I am ready to think about retirement yet." This account also works for young families who are trying to save up to buy their first home. They can put $2,000 per year per person into this account, and a lot of especially couples without children or single working families, they put this money into this account and then later they can take up to $10,000 out of the account without penalties to buy their first home.

So for the young families it is an opportunity to save to buy their first home. For the folks that are in their 40's and 50's, maybe the kids are gone, it is an opportunity to save more for themselves for retirement and have it be a tax-free retirement.

Mr. FOX of Pennsylvania. Madam Speaker, will the gentleman yield?

Mr. NEUMANN. I yield to the gentleman from Pennsylvania.

Mr. FOX of Pennsylvania. Madam Speaker, under the Roth IRA, it is $2,000 per person for how many years hence?

Mr. NEUMANN. As many years as one so desires.

Mr. FOX of Pennsylvania. OK. So there is no sunset on that provision?

Mr. NEUMANN. No. One can keep putting $2,000 per year into this account each year from now through the year they retire, unless, unless we go back to the ways of 1993; and if we go back to the ways of 1993, broken promises and higher taxes, certainly this might be one of the accounts they look at; but it is up to the American people to make sure they keep elected Representatives who are going to be more interested in controlling Washington spending, because when we control Washington spending, that means the people can keep more of their own money instead of sending it to Washington. The folks have to make sure that they understand that is what is necessary in order for this Tax Code to continue with tax cuts as opposed going back to the way of 1993, but that is up to the American people.

Mr. FOX of Pennsylvania. The National Debt Repayment Act, which the gentleman authored and I have cosponsored, has this gone to the Committee on the Budget for review, or Ways and Means? Where has it gone?

Mr. NEUMANN. It will be reviewed in a series of ways. I am optimistic that we will have an inner-term vote, but at least it says no new Washington spending with the extra revenues coming in. And it will put us on track that the only thing we can do with the surpluses is either reduce taxes or pay down debt, and that will certainly put us in the right direction.

Mr. FOX of Pennsylvania. Madam Speaker, will the gentleman yield?

Mr. NEUMANN. I yield to the gentleman from Pennsylvania.

Mr. FOX of Pennsylvania. Madam Speaker, one of the related bills that I have, and I hope that would also see legislative action, and that would be what I call the sunset review of Federal agencies. It is something we did in Pennsylvania where we evaluated all of the State agencies and said, over a 7-year period or 5 years or whatever we want to pick, each agency had to justify its own existence. To the extent it could, it would remain. To the extent it did not, it would be consolidated, privatized, downsized, or eliminated. This is a process that seems so logical it should have been adopted previously, but it is something that I believe is related to the gentleman's legislation when it comes to debt repayment and balanced budgets.

Mr. NEUMANN. I have a sneaking suspicion there is a whole heap of agencies that could not justify their existence today.

We started through this in my first year here, and it was unbelievable the number of agencies that when we went to them, there is just no way that they could justify. But it is too vast a list to go at them each one at a time. We get as many as we can. The way to do this is to look at the overall numbers and keep squeezing them down, but I certainly support that type of legislation, sunseting every agency every 7 years unless it can justify its existence. It sounds like a great idea to me.

A couple of the tax cuts that we have passed, and again, this bill has been signed, this is happening, the ink is dry, this is law: The capital gains tax rate has gone from 28 percent to 20, and then it is going down to 18 after that. I have some people say, "Well, Mark, you made it more complicated because it is 15 months or 18 months or 12 months, and how long do we have to hold it?"

But when it is over and done, I think people can take the time to find out whether they have held their asset for 12 months or 18 months in order to pay 8 percent less and then 10 percent less.

For the folks on the lower income tax bracket, this is something I learned in Brodhead, WI at a town hall meeting. I had someone come up and say, "I volunteer my time helping senior citizens fill out their tax forms. And all that capital gains stuff you are talking about, they do not earn enough money to be affected by the 28 down to 20."

Well, the fact is, if a person is earning less than $41,000 a year, their capital gains tax rate goes down to 10 percent. This person told me about a number of senior citizens who, in addition to Social Security, are drawing small amounts out of whatever they have used to save money in the past, and of course then there is capital gains on whatever it is that they are drawing this money from, and this will reduce their tax rate from the current 15 down to 10 as well for the lower income folks.

Mr. FOX of Pennsylvania. Madam Speaker, if the gentleman will yield, a part of what we have to do is make sure we get the word out about these new tax reductions so that all of our senior citizens and others will continue to take advantage of them.

Mr. NEUMANN. Madam Speaker, reclaiming my time, another one that not many know about, and this really impacts: 74 percent of all senior citizens in Wisconsin still own their own home, and there is a new tax provision that is very directly aimed at senior citizens, but it is going to affect all of society, and that is if they have lived in their home for 2 years and they sell the home, they no longer pay any Federal taxes on it in the vast majority of the cases. Now, what has happened in the past is we had this rule that said if a person was 55, they could have a one-time exclusion when they sell their home.

So what has happened is a lot of our senior citizens have sold their home at age 55, took the one-time exclusion, and then they went out and bought a smaller home, because of course at 55 their kids were gone so they did not need the big house any more. So they bought a new home at age 56, and they are now 67 or 68 and would like to sell their home again.

Under the old Tax Code, since they had taken their one-time exclusion at age 55, they would pay capital gains on the appreciation of that home from the age of 56 to 66. Under the new Tax Code, there is no Federal taxes due on the sale of a personal residence as long as they have lived in the residence for 2 years in the vast majority of the cases.

This is a phenomenally large change. Being a homebuilder, I dealt with this an awful lot where we would have clients come in and the clients would say to me, "Well, I have moved from wherever to Wisconsin where it was a little more affordable housing," and they would come in and say, "We have huge capital gains, and I took this job transfer, and I was happy to take the job promotion and have the opportunity to live a better life for myself and my family. When I got here the house prices were low and that is good, but now I owe the Government all of this money."

Well, that is all gone, that is history. The law has changed. If a person lives in a home for 2 years and it is their personal residence and they sell it, there is no Federal taxes due on it. I have said that 3 times because I was on a radio talk show in one of our communities and I had a caller call in and ask me whether or not I was sure that there was no Federal taxes due.

And I said, "No, there is no Federal taxes due." She had bought a home, I think it was for $20,000, and was selling it for about $80,000 and she wanted to make sure of this. And she said, "I pay income tax on it instead of capital gains." And I said, "No, there is no Federal tax due to the sale of your home," and she said, "Well, then I pay," and she gave me some other kind of tax. I said, "No, it is not that the tax has been shifted to some place else; there is no tax due on the sale of that home" that had appreciated in value from $20,000 to $80,000 in this particular caller's case. So this is also a phenomenal change.

I know Pennsylvania has some agriculture, as does Wisconsin. I think another point here that we would be failing if we did not bring up is the farm tax change.

Mr. FOX of Pennsylvania. Madam Speaker, if the gentleman would yield, that is certainly going to help us. We have small businesses in Pennsylvania, of course, and in Wisconsin, and we also have a lot of family farms. What we are able to do under this new inheritance tax law is $1.3 million, I think that is the right figure, will be the exemption from the inheritance tax.

So instead of having to sell the family farm to pay the estate taxes of the deceased, we are going to be able to have the family farm or the family-owned small business that had been worked on for years now carried forward to the sons and daughters, so they can carry on the family business without having all of the money that the farm is worth, or the business, going up in taxes.

Mr. NEUMANN. Madam Speaker, they say under this new Tax Code, reclaiming my time, that 90 percent of all farms may now be passed from one generation to the next generation without the tax being due, the death tax being due to the extent where many of those farms are being sold.

The other thing that affects and directly impacts the agriculture industry of course is that many farms are now corporations, which means there is stock in the corporation and as the stock is transferred, the capital gains rate directly impacts what taxes are due, and of course the reduced capital gains tax helps our farmers immensely.

I see the gentleman from Indiana has joined us.

Mr. SOUDER. Madam Speaker, will the gentleman yield?

Mr. NEUMANN. I yield to the gentleman from Indiana.

Mr. SOUDER. Madam Speaker, I wanted to briefly join in here, because the gentleman called my attention earlier this evening to an article that ran in the Wall Street Journal today, and Congressman SHADEGG from Arizona cited it in particular, and then I actually read it.

The gentleman has been a leader in our class and in Congress in doing budget numbers, tax numbers, appropriation bill numbers, and has been somebody we all look to, and now I realize that the gentleman is completely politically incorrect. The article in the Wall Street Journal today from Lynn Cheney about the National Commission for Education Testing was talking about math, and the gentleman from Wisconsin [Mr. NEUMANN] asked me earlier this evening, "Did you see this absurd statement in the Wall Street Journal?" Steven Leinwand, this is quoting from the Wall Street Journal today, Lynn Cheney's article, who sits on the committee overseeing President Clinton's proposed National Mathematics Exam, has written an essay explaining why it is downright dangerous to teach students things like 6 times 7 is 42, put down 2 and carry the 4. Such instructions sorts people out, Mr. Leinwand writes, anointing the few who master these procedures and casting out the many. That is a quote. As Mr. Leinwand tells it, there might have once been an excuse for such undemocratic goings-on, but we can now, because of technology, throw off the "discriminatory shackles of computational algorithms."

Mr. NEUMANN. Reclaiming my time, can we just point out again who this person is that they are quoting? This is the person that sits on the board that is going to design the national tests to test our children. All of those things the gentleman from Pennsylvania said. He is the person that is going to be designing these tests, and this person thinks it is inappropriate to teach kids that 7 times 6 is 42, and when they are doing multiplication of more than one number times another, how to actually go through it. I am an old math teacher and if my colleague sees my face turning red at this point, it is only because I find it so frustrating that we would think in this society that we have moved to this point.

I do not want a national math test. I want the parents and the local community folks and the school board, I want them to develop a test to test their kids and their community for what they think their kids should know.

□ 2045

Mr. SOUDER. If the gentleman will continue to yield, Madam Speaker, as both a former math teacher, which the gentleman from Wisconsin [Mr. NEUMANN] is, and as a former homebuilder whose whole business depends on being able to, if not directly, at least understand the computation of 6 times 7 equals 42, otherwise you are likely to be having ridiculous prices on the homes that you are trying to build, how do we expect the American people in the future to be able to read charts like the gentleman has in front of him, or be able to understand how to calculate capital gains taxes if this man, and to reiterate one other point that the gentleman said, he is not only on the National Math Board, he serves as a consultant to the Connecticut Department of Education, sits on the board of the $10 million National Science Foundation math program, and advises the standard-setting project funded by the Pew and MacArthur Foundations.

It is not just this kind of one-man kind of weirdo sitting there, he is on a whole bunch of boards, driving this whole dumbing-down sense of America. And then people want to know how, well, we cannot quite understand your chart. This is too complicated. They want to feel things through. If we do not have a basic understanding of math, we are basically going to get ripped off.

Mr. NEUMANN. Madam Speaker, reclaiming my time, this is the problem with the liberal philosophy. The liberal philosophy would tell us that we do not need to understand math because Washington can take care of you, trust us. The Government will take care of you. That is the wrong philosophy. Folks need to understand basic math, reading, and science so they can look at a situation and evaluate the situation, and make a decision for themselves on how to best take care of themselves and their families in this world we live in.

Mr. SOUDER. Madam Speaker, if the gentleman will continue to yield, I will be talking later, and I know the gentleman from Arizona [Mr. SHADEGG] wants to talk about this, too, but the gentleman has been kind of a national math teacher to this country, going through the budgets, going through the appropriations bills, going through the tax bills. I appreciate the gentleman calling my attention to this article and the fallacy of these national tests, because if we do not have a country that can defend themselves, they are going to get run over by the Washington bureaucracy. I thank the gentleman for his leadership.

Mr. NEUMANN. That is the nicest thing I have been called since I came to Washington, so I thank the gentleman.

I yield to the gentleman from Pennsylvania [Mr. FOX].

Mr. FOX of Pennsylvania. Madam Speaker, I appreciate the gentleman from Indiana sharing with us his comments, because he has also been a leader working with the gentleman and I, when it comes to making sure the taxpayers are getting their money's worth.

That is what this is all about, we want to have a Federal Government that performs the kinds of services that have to be there that are not taken care of by the State government, and that individuals and families cannot take care of by themselves. But there is no reason we should be overcharged for that.

Frankly, I think the National Debt Repayment Act we need to go very strongly on. I am hoping we will not need a sponsor, because it is going to pass the House and it just needs Senate votes. I am sure there are Senators who may hear and read about this and will actually want to be the gentleman's Senate sponsor. I will pursue that with the gentleman further after this special order.

From my point of view, Mr. Speaker, I think my constituents who have heard about the National Debt Repayment Act and the quest to get the balanced budget think that Washington is finally listening to what they have

been saying back home. This is not a Washington idea, this is an at-home idea. The people back home want to make sure we spend less, we regulate less, we tax less, and we let them keep more of the money, power, and influence that should be kept in our neighborhoods and our communities.

Mr. NEUMANN. I think that is a good lead-in to wrapping this hour up this evening. We have dedicated the hour to my dad and others, people like him across America that are so responsible for giving us the opportunity to be here and change this great Nation.

When we look back to before 1995 and see the broken promises of moving to a balanced budget, and the promises that they were going to get there, and as the deficit escalated, they raised taxes back in 1993.

If we look at how far we have come in the last 2 or 3 years, we are to a balanced budget, not as promised, but 3 or 4 years ahead of schedule; we are going to balance the budget for the first time in fiscal year 1998 since 1969, when I was a sophomore in high school, the last time the budget was balanced. Taxes are coming down for the first time in 16 years.

What a phenomenal contrast from 1993 to 1997, the tax increases versus the tax cuts of 1997. Medicare has been restored to our senior citizens, to my dad and to my parents, to the senior citizens out there. Medicare has been restored, and we are now moving rapidly forward.

We look at the future. We have our first balanced budget in our hands and our first tax cut. The ink is dry, it is passed. As we look to the future, we realize that even after the budget is balanced, we still have a $5.3 trillion debt.

The next move is to pass the National Debt Repayment Act, which will pay off the Federal debt much like we pay off a home mortgage over the next 30 years. That means that we can give this Nation to our children debt-free. It means that the money that has been confiscated out of the Social Security trust fund will be returned so Social Security is safe and solvent once again for our seniors. In that bill, one-third of the surpluses are dedicated to additional tax cuts as we move forward.

So as we look at the past, the present, and the future and where we are going with this great Nation, things have changed since 1995. It is truly a pleasure to be able to bring to the American people how different this great Nation is today than it was 3 short years ago, and how those changes can lead to a better future for our children and our grandchildren, because that is what it is all about, giving those kids hope for opportunities to live the American dream in this great Nation.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore [Ms. GRANGER]. The Chair will remind all Members to refrain from urging Senate action or inaction.

REPORT ON RESOLUTION PROVIDING FOR THE CONSIDERATION OF HOUSE RESOLUTION 244, SUBPOENA ENFORCEMENT IN THE CASE OF DORNAN V. SANCHEZ

Mr. MCINNIS (during the special order of Mr. SOUDER), from the Committee on Rules, submitted a privileged report (Rept. No. 105-280) on the resolution (H. Res. 253) providing for consideration of the resolution (H. Res. 244) demanding that the Office of the United States Attorney for the Central District of California file criminal charges against Hermandad Mexicana Nacional for failure to comply with a valid subpoena under the Federal Contested Elections Act, which was referred to the House Calendar and ordered to be printed.

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF H.R. 1127, NATIONAL MONUMENT FAIRNESS ACT

Mr. MCINNIS (during the special order of Mr. SOUDER), from the Committee on Rules, submitted a privileged report (Rept. No. 105-283) on the resolution (H. Res. 256) providing for consideration of the bill (H.R. 1127) to amend the Antiquities Act to require an Act of Congress and the concurrence of the Governor and State legislature for the establishment by the President of national monuments in excess of 5,000 acres, which was referred to the House Calendar and ordered to be printed.

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF H.R. 1370, REAUTHORIZATION OF THE EXPORT-IMPORT BANK

Mr. MCINNIS (during the special order of Mr. SOUDER), from the Committee on Rules, submitted a privileged report (Rept. No. 105-282) providing for consideration of the bill (H.R. 1370) to reauthorize the Export-Import Bank of the United States, which was referred to the House Calendar and ordered to be printed.

REPORT ON RESOLUTION WAIVING POINTS OF ORDER AGAINST CONFERENCE REPORT ON H.R. 2203, ENERGY AND WATER DEVELOPMENT APPROPRIATIONS ACT, 1998

Mr. MCINNIS (during the special order of Mr. SOUDER), from the Committee on Rules, submitted a privileged report (Rept. No. 105-281) on the resolution (H. Res. 254) waiving points of order against the conference report to accompany the bill (H.R. 2203) making appropriations for energy and water development for the fiscal year ending September 30, 1998, and for other purposes, which was referred to the House Calendar and ordered to be printed.

A RIDICULOUS THREAT FROM THE PRESIDENT TO CONGRESS REGARDING CAMPAIGN FINANCE REFORM

The SPEAKER pro tempore. Under the Speaker's announced policy of January 7, 1997, the gentleman from Indiana [Mr. SOUDER] is recognized for 60 minutes.

Mr. SOUDER. Madam Speaker, I have found few things as ridiculous since I have been elected to Congress in 1994 as the headline that I saw last week in the Washington Times, repeated in various publications around the country in different ways. That headline says "Clinton Threatens to Recall Lawmakers to Hill. Campaign Finance Vote Demanded During Session."

Madam Speaker, I was trying to sort this through. My basic understanding of this was that the President of the United States, Mr. Campaign Finance himself, is threatening to call us into session for campaign finance reform; this, the President who has made more from Air Force One, the plane, than Harrison Ford made from the movie? He wants us to have a session on campaign finance reform?

Tonight, Madam Speaker, we are going to talk a little bit about this President and some of his friends. Additional Members will be joining me as we go through this. But I have been soliciting some information about different people's opinion on this, and what their reaction was to this headline.

Madam Speaker, I have a couple of comments that I want to share with the Members. We will be going through a number of these tonight.

I think that principle No. 1, and if I can, I am going to move down to the other microphone here so I can use these posters, rule No. 1, before we pass a bunch of new laws, is, how about we start in this campaign finance reform with follow the current law. Because it does not do a lot of good if in this country we pass a bunch of laws but then we ignore those laws.

As I suggested the other day, if the President wants to have a special session, maybe we could have the first day with his friends who are in jail; the second day with his friends who have already been released from jail; maybe the third day would be his friends who have been indicted and are headed to

jail. Then we could have a couple of days for his friends who have pleaded immunity, 1 day for those who pleaded partial immunity, 1 day for those who pleaded full immunity. Then we could have a couple days for his friends who pleaded the fifth amendment. There are I think 56 of those right now. Then we could have 3 days for his friends who have fled the country, possibly 1 day for each continent.

Madam Speaker, it is ridiculous. They are not following the current law. Why does he want us to come in and pass a bunch of new laws if we cannot get people to follow the current law?

We have the Vice President of the United States, and we will get into this more later, but who said that he was not following the existing law because he was not clear on the controlling legal authority. Madam Speaker, that is quite the explanation, that he was not sure of the controlling legal authority.

The sale of access by this administration is unprecedented. To be fair, the President does not discriminate where they are going to take the money from. If the money is green, they will take it. They have taken it from drug dealers, international fugitives, from arms dealers. Hey, it is an equal opportunity administration.

There are some things that you can buy, for example, if you tune into the Clinton Shopping Network. For $100,000 you can become a managing trustee of the Democratic Party, which entitles you to two meals with the President, two with the Vice President, issue retreats, private impromptu meetings with administration officials, and your very own DNC staffer to assist with your personal requests.

For $300,000, you can bypass the national security aides and get directly to the President, even if you are an international fugitive like Roger Tamraz. In his case, it was $250,000 or $300,000 to be able to talk to the President about a pipeline, and he did not even get it. I do not know what it would have cost if he was going to get the pipeline.

We cannot even make up a cast of characters like the contributors who wound up at the White House coffees, overnight in the Lincoln bedroom, or posing for photographs with the President. It is something like out of the bar scene from "Star Wars." It is such an odd conglomeration of different types of people.

The key, driving thing was, how can we raise more money so we can put more ads up. Do not worry about the details. Drop the background checks, in spite of the advice they were getting from different people regarding individuals that were coming. The key thing was, can they bring in money, will they give the party money.

One other thing in looking at this cast of characters, it is not clear because we have not at least found a memo regarding this yet, whether or not all these people who have been bringing the funds in, whether we have seen the exhaustive list.

For example, what exactly does it cost if you want to see the President and somebody from the Department of the Interior? Does that cost more money? What if you want to see the President and somebody from the Department of Treasury? What if you want to see two cabinet officials? What if you have a case pending in front? What if you are from a foreign country that maybe has minerals that you want an international exclusive on, and maybe you would like a wilderness area? It is not clear how these things interrelate, and a lot of documents are missing or have yet to come clear.

Hopefully we will have some people with the courage that we had under the Nixon administration, when clearly they were attempting to cover up. Democrats and Republicans joined together to try to find the truth. It was not a partisan event. Sure, the Democrats were very partisan against Nixon. We would expect them to be partisan against Nixon. Members might expect me and other Republicans to be partisan against the President.

But where are the Democrats speaking out against President Clinton, like the Republicans did against Nixon? Where are the staffers whose conscience goes to the country as opposed to their boss? Are they so intimidated? Are they so dulled to the sense of decency that they are not coming forth? Or have people learned so much from Watergate that maybe they did not leave as many messages as they did in the old days? Quite probably they did not tape the conversations at the White House like they did under Nixon.

But we need to have ways to find out, because it certainly is clear that the administration did everything they could to get as much money as they could. They backed off of the clearances of the people that were coming in. They clearly had coffees, for which they had a going price.

They took the Lincoln bedroom from the days of just a few people going there, friends, other dignitaries. I think, if I recall right off the top of my head, President Bush had maybe 8 to 10 major contributors there. And they took it to a system, a production line of people who could give the money to the President of the United States, and get to stay in the Lincoln bedroom. They took all these things to a new high effort.

In the foreign contributors, there is a lot of debate about what the lines are in foreign contributions. Can you do this? Can you do that? But there are some lines that are crystal clear. Foreign governments cannot put money into campaigns. Furthermore, you definitely cannot have somebody who is not wealthy give money on behalf of somebody else. That is law violation No. 1.

Law violation No. 2 is if that person then gets refunded their money from somebody who is not an American citizen, from an overseas thing. And it is clear that that is what happened to this administration, because it had to give the money back.

For example, we have seen the concerted efforts by foreign contributors and governments to generously support Clinton-Gore. We have watched them use executive branch officials and fact-finding to raise money overseas. It is against the law, and it was supported with taxpayer dollars. President Clinton and the Democratic Party received more than $75 million in Federal funds during the 1996 campaign, and the infusion of Federal matching funds provided additional fuel for their fundraising obsession. We have never seen this level of use and abuse of the system.

A friend of mine who is a historian, a former history professor, made a list for me of 10 reasons for a special congressional session on campaign finance reform to determine whether the Clinton administration has set a record for the largest number of officials under investigation in American history.

Runners-up, Grant, Harding, and Nixon. Harding just appeared not to know what was going on. He never claimed to be a detail-type person. General Grant had good days and bad days, depending on other things in his personal lifestyle. So while they were accountable for what went on under them, they did not claim to be micromanaging, like our current President and Vice President, who said they were going to reinvent government and were going to be hands-on President and Vice President. Of course, Nixon we all know about. And maybe Nixon was as bad as Clinton, but he does not have or did not have quite that number of people under investigation.

No. 2, of the 10 reasons for a special congressional session on campaign finance reform, to find out if the American timber industry is large enough to handle the paper needs of the special prosecutors, grand juries, and congressional committees looking into the deeds and misdeeds of the Clinton officials. After all, as an environmentalist, he needs to be concerned about all the paper we are using and all the trees that are being chopped down for all these investigators.

□ 2100

Maybe he could call a special session to enable Paula Jones to address us on sexual harassment at the workplace. That would make about as much sense as the President calling us into session on campaign finance reform.

No. 4, to commission Arthur Schlesinger, Jr. to conduct a government

funded survey in which noted historians assess "distinguishing characteristics" of the 42 men who have been President.

No. 5, to ascertain why the administration has had such difficulties in persuading witnesses to return from safe havens in Beijing and other places committed to MFN, religious freedom, and human rights.

No. 6, to learn at long last who hired Craig Livingstone and who is paying the fees of his attorneys. I sit on the Government Reform and Oversight Committee. I got to actually ask questions of Craig Livingstone and ask him who hired him. It was quite the experience. He did not come in for a tour at the White House. He did not even come in to work at the receptioninst desk. He came in to be charge of security at the White House. Yet he doesn't know who hired him.

He said under oath that it was the goal of his life to some day work at the White House, that he worked in many low level campaigns, got what a lot of people would consider to be dirty jobs in those campaigns in order to some day have a chance at working his way up and maybe working at the White House. So he finally gets to the White House and he does not know who hired him.

I asked him, because he had been saying all day he did not know what all of us know, who our early supporters were, especially if it was your dream to get to the White House, I said, who did you say thank you to. Are you so ungrateful that you never told thank you to anybody who hired you? And he hung his head down. And I want to say that I believe he felt badly. I do not know what intimidation was on him. I do not know why he would not give up the information. He just said, I do not know who hired me.

My next question was relatively simple as well. The American people are watching and they know, as visitors in the gallery know, that if you go to the White House and want to take a tour, they do checks on you. If we, as Members of Congress, want to go over, they do checks on us, if we take somebody through, they run background checks on us. He was coming in to be head of White House security and he did not know who hired him. I said, who let you in the door. He gave me the name of the receptionist.

I mean this is a joke. This is absolutely ridiculous. We kept the questioning up. And later one of the former counsels at the White House ventured that maybe Vince Foster hired him. Do you know what? Every time we came to a tough point in the travelgate hearing, every time we came to a tough point in whatever investigation we were going through, the FBI files, who hired Craig Livingstone, whenever the pressure got toughest, they blamed it on the dead guy. Either Vince Foster was carrying tremendous baggage or some people are really abusing Vince Foster, who is no longer with us to defend himself. So maybe we could learn in a special session who hired Craig Livingstone.

No. 7, to charge the civil Rights Commission with investigating whether Gennifer Flowers was actually retained as an Arkansas State employee at the expense of a more qualified minority applicant.

No. 8, to permit Roger Tamraz to fuel all the automobiles retained by Members of Congress and their staffs in return for attending all the receptions held in the Rayburn building for a year with an overnight stay in Statuary Hall.

No. 9, to commission the printing of the motto "no controlling legal authority" on all letterhead charged to the House Ethics Committee, the Senate Judiciary Committee, and the Department of Justice.

No. 10, present the Congressional Medal of Honor to Mary Heslin, lately of the National Security Council, for daring to attempt to preserve the honor and integrity of the presidency from the corrosive clutches of its present occupant and to ban all Georgetown bar bouncers from obtaining access to her FBI file.

It is really scary, when we go through. In the Nixon administration, Chuck Colson went to prison because he had one FBI file. When we went through the FBI files in our committee and we started asking, I remember one of the early questioners asking one of the former attorneys at the White House if he knew Craig Livingstone and he looked around and said, I met him once. He reported to me but I did not really know him. Then they asked him if he knew Anthony Marceca. He looked down the thing, no, never met him, never saw him. He later, to another question, said, yes, the FBI files were under my office. The FBI files were never looked at by anybody. Nobody looks at these, these were under Livingstone and Marceca's control. So former Congressman Bill Martini asked the question, Mr. Nussbaum, under oath, you earlier said that you had met Craig Livingstone one time. You never met Anthony Marceca; you did not know him. Yet you also said under oath that all these files were never violated, nobody looked at them and does not that seem to be a contradiction? And Mr. Nussbaum said, the reason I can say that is I know nobody in our administration would stoop so low as to look at any of those files.

It is like, come on, guys. If you have hundreds and hundreds of files scattered through various staffers, they had interns having these files with background information that they had checked on Republicans, people they had no business even investigating in the first place yet alone looking at their file. They do not know who hired the national security advisor who most of his qualifications were that he had been a dirty tricks person in large part in different campaigns. They have in Travelgate, when we got into that, you look at that and see that what the whole deal there was is first you have a girlfriend of a staffer getting a deal. Then you realize that a friend from Arkansas is trying to get, without White House security clearance, is wondering around trying to get the contract for the travel office. What he really wants is the contract for travel for his agency for all the different branches of the Federal Government which, rather than just the small travel office budget, is now millions and millions of dollars. And we see this unfold first in the Travelgate. Because we are looking at the Travelgate, we find out about the files. And we are looking at the files and we find out about Craig Livingstone.

It is just like what is now starting to happen, when we start to unravel the money, part of the reason this is so confusing to the American people is you start, you go, wow, there is money from China here and some arms dealer and such-and-such, and the next thing you are over in Indonesia and next thing it is happening from Thailand. Oh, Taiwan, too. And pretty soon you have people confused because it is coming from about every major country in the world that has any business. You have all these different people pouring money in left and right. It is no wonder the American people are confused as to the particulars.

I have a couple of other charts here. This is a list of witnesses who have fled the country. Charlie Trie was last seen in Beijing, China. He is a former restaurateur and old friend of President Clinton who tried to give $640,000 in suspicious contributions to the President's legal expense trust. Part of the reason it is hard for our committees to lay this out is it is not like China is cooperating and it is not like the banks in China are cooperating, and it is not like Charlie Trie is cooperating. So it is a little hard to get all this information.

I think you will see, as the House investigations start this fall and go through next year, that we will hopefully get more of this. Pauline Kanchanalak, in Thailand, had $235,000 in DNC contributions returned because she could not verify that she was the source. In other words, we are already seeing this money being sent back. It is not like it is a dispute whether the funds were legal. He is telling us he wants campaign finance reform when rule No. 1 is this, follow the current law.

The current law seems to be, in the eyes of this administration, if the Senate investigators or the House investigators turn up the funds, send it back

fast. That seems to be what is happening. We are seeing very little money sent back until we uncover it in one of the committees. Then they send it back. That is not the law. The law says, do not take the illegal money and send the illegal money back, not until Congress discovers it.

Third, Ming Chen, a businessman in Beijing, China, runs Ng Lap Seng's restaurant business in that city and is the husband of Yue Chu.

Agus Setiawan, Indonesian employee of Lippo who signed many of the checks to the DNC drawn on Lippo affiliates.

Subandi Tanuwidjaja, in Indonesia, gave $80,000 to the DNC for a dinner with Clinton, which may have come from wire transfers from his father-in-law, Ted Sioeng, who lives in China. Arief and Soraya Wiriadinata, Indonesian couple who gave the DNC $450,000 after the receipt of a $500,000 wire from Soraya's father, a co-founder of the Lippo Group.

It knows no country. John H. K. Lee, South Korean businessman, president of Cheong Am America, Inc., DNC returned $250,000 to Cheong Am.

Antonio Pan, ex-Lippo executive and friend of Charlie Trie and John Huang who delivered cash to individuals for conduit payments.

And then there is Ted Sieong, father of Jessica Elnitiarta, who donated $100,000 to the DNC. He is reportedly connected to the Chinese intelligence community.

Then there are the witnesses who have pled the fifth amendment to the House or Senate committees. John Huang, former DNC fundraiser, Commerce Department official and Lippo Group employee who solicited more than $1 million in questionable contributions.

Jane Huang, wife of John Huang, her name appears on DNC documents as a solicitor of some DNC donations while Huang was at Commerce.

Mark Middleton, former White House Deputy Chief of Staff, who became an international businessman, worked with the Riadys and Trie. Maria Hsia, Taiwan-born consultant who helped Huang organize the temple fundraiser.

Manlin Foung, sister of Charlie Trie, was given thousands of dollars to donate to the DNC in her name by Trie.

Joseph Landon, Manlin Foung's friend, was given thousands of dollars to donate to the DNC in his name by Trie.

David Wang, made $5,000 contribution to the DNC at Trie's request.

Nora and Gene Lum, fundraising couple who pled guilty to violations of Federal election laws.

These are people who pled the fifth, remembering that rule No. 1, before we do campaign finance reform, is follow the current law. Do you know what? Generally speaking, I am not an attorney. I know some of my friends here tonight are attorneys. It does not mean you are guilty because you plead the fifth. But it means you are not being very cooperative in trying to find out the truth, and it does not look particularly good.

The next name on here, Webster Hubbell, already is coming out of jail, former Associate Attorney General, not the kind of person you want to see go to jail or that kind of ups your confidence in the President that he would put in an Associate Attorney General who goes to jail, received hundreds of thousands of dollars from Lippo after leaving the Justice Department. Hsiu Luan Tseng, a Buddhist nun at a Hawaiian temple who contributed to the DNC at the Hsi Lai temple event.

Judy Hsu, Buddhist nun who contributed at the temple event.

Yumei Yang, Buddhist nun who contributed at the temple event.

Seow Fong Ooi, Buddhist nun who contributed at the temple event.

By the way, either nuns make a lot more money than I thought they did, or we have a serious problem here. Jen Chin Hsueh, gave $2,000 to DNC, listed address as home owned by the temple but does not live there. Jie Su Hsiao, Buddhist nun who contributed at the temple event.

Gin F. J. Chen, DNC donor at a fundraiser at Washington's Hay Adams hotel who may have been reimbursed by Hsi Lai.

Hsin Chen Shih, DNC donor at a fundraiser at Washington's Hay Adams hotel who may have been reimbursed by Hsi Lai.

Bin Yueh Jeng, Taiwanese national who, at John Huang's urging, gave $5,000 to the DNC.

Hsiu Chu Lin, employee of Hsi Lai, who gave the DNC $1,500.

Chi Rung Wang, a California man who gave DNC $5,000 at the temple fundraiser.

Noland Hill, business partner of the late Secretary Ron Brown.

Yogesh Ghandi, while receiving $500,000 in wire transfers from a Japanese bank, contributed $325,000 to the DNC.

These are people who pled the fifth amendment. They do not want to talk to us about it. Jane Dewi Tahir, college student related by marriage to the Riadys who received $200,000 in wires from the Lippo bank and gave $30,000 to the DNC.

Duangnet Kronenberg, sister-in-law of Pauline Kanchanalak, attended a coffee at Vice President GORE's residence.

Maria Mapili, employed by Trie, familiar with wires he received from Ng Lap Seng.

Jou Sheng, gave DNC $8,000 listing a Maywood, CA, Buddhist temple as his address but does not live there.

I want to make it clear that these people at the Buddhist temple, they may or may not have known what the American laws are. That is the responsibility of the people soliciting the money. It is the responsibility of the Democratic National Committee, the Vice President of the United States, the President of the United States to know the law.

And I personally want to make it clear that it would be very easy to make this seem like somebody is anti-Asian or anti these countries. That is not the case here. The question is what were the leaders of this country doing when they know the law, as every one of us know the law, soliciting money and taking advantage of people who think that that is how the U.S. Government works?

It is an insult to our Nation and a shame on our Government that they would use these other countries, use how they may have to deal in other parts of the world to let them think they have to give money to the President's campaign committee and the President's party in order to do business with the United States. They should be up front and say, we do business fairly here. We do not have things for sale in this country. We have a different standard than the rest of the world. And instead, we abuse people who may not have known, who had always looked to America as a country different in the world, a country that was not corruptible. And they went and used these people, even in their own Buddhist temple. They used these people to get their money and to then use it for campaign purposes to stay in power. It is very difficult, I feel bad if I mispronounce these names but there is a whole bunch more from there.

□ 2115

I could go on, but I see I have been joined by a few of my friends here. I will yield to the distinguished gentleman from Arizona [Mr. SHADEGG].

Mr. SHADEGG. I would be happy to join in this discussion if the gentleman would yield.

One of the posters the gentleman put up is one that strikes me a great deal in this debate, and if he will put it back up, it says, first rule, follow the current law.

I notice we are now debating on the set-aside the whole issue of campaign finance reform, and there is this hue and cry that we really ought to be revising our campaign laws because, clearly, this episode demonstrates that we need to rewrite the law. And yet, as the gentleman shows there, rule No. 1, follow the current law, it kind of makes me wonder what is the point of rewriting the law so that we have a new law if they did not follow the old law. Why do we think they will follow the new law? It is kind of amazing.

I know the gentleman talked about legal authorities. I am an attorney, and I was proud to make my living in that field before coming here, but in

that regard, and just to touch on follow the law, let us talk about AL GORE's favorite phrase: The controlling legal authority. And guess what? There is some in this area. As a matter of fact, there are a number of statutes that touch on these practices quite directly.

For example, 18 United States Code section 201 outlaws bribery in this country. Now, whether or not we quite have the facts to establish bribery, whether they will come out before the Thompson hearings end, whether they will come out in the course of the Burton hearings may not be clear, but there is a law here that says bribery is wrong.

But let us talk about some others where we do have some pretty clear evidence.

How about 18 United States Code section 600, which prohibits the use of government offices for political purposes. How about that same section of law that says it is a crime to promise access to a government building or to government services in return for campaign contributions.

There were, I think, 103 White House coffees held with the President, telling them they could come to the White House and have coffee with the President for $500,000. It seems to me we turned this place into Starbucks on Pennsylvania Avenue.

Let us talk about another one. 18 United States Code section 607 specifically says it is a Federal crime to solicit campaign contributions in a Federal building. On that one we have AL GORE on at least 86 different solicitation calls from the White House.

We also have a fascinating note, that maybe the gentleman has put it up or maybe he has not put it up, where a White House staffer makes a note that BC made 15 to 20 calls and raised $500,000. Now, BC, I suppose we could be talking about the cartoon character BC who I used to read about. We could be talking about Bill Cosby.

Mr. SOUDER. Or Boston College. We should not be so judgmental.

Mr. SHADEGG. Boston College. There could be that other remote possibility, that when it says on a staff note written in the White House, written by David Strauss, "BC made 15 to 20 calls and raised $500,000," there is at least a slim chance, I would suppose, and maybe I could ask my colleague if he wants to comment on this, that BC did not refer to Bill Cosby or Boston College but Bill Clinton.

Mr. SOUDER. Especially when we look at the—it is hard to read the small print, but it is talking about the $5 million needed by year's end, refers to other specific individuals, and then it said BC made 15 to 20 calls, raised 500 K. Hard to believe that would not be Bill Clinton.

Mr. SHADEGG. We are trying to bring some light to this discussion and maybe some humor here, maybe we should do a national call-in, where we put up a 1-800 number and ask the American people how many people think BC in that note refers to Bill Cosby or Boston College or the cartoon character BC or somebody other than Bill Clinton; and how many think maybe BC in that White House note refers to 15 to 20 calls raising $500,000 by BC, referring to Bill Clinton.

Mr. SOUDER. Kind of a credibility test.

Mr. SHADEGG. We could do that and let the American people call in and tell us what they really think.

To continue the theme of mentioning a few controlling authorities that the Vice President did not happen to notice.

Mr. SOUDER. Did the gentleman mention the HRC?

Mr. SHADEGG. The gentleman can talk about the HRC.

Mr. SOUDER. Well, there is one here that says HRC was making calls, too, which I assume is the human resources counsel. I would not want to jump to the conclusion it was Hillary Rodham Clinton.

Mr. SHADEGG. Hillary Rodham Clinton? Oh, no, I am certain that is a coincidence. I doubt if it would be Hillary Rodham Clinton.

Mr. SOUDER. It is against the law. They would not do that.

Mr. SHADEGG. No, that is right. That is in the same note where it said BC made 15 to 20 calls and HRC is making calls. I doubt if that is Hillary Rodham Clinton. I am certain it is just someone else who happens to have similar initials.

Mr. SOUDER. We will probably discover it after the statute of limitations runs.

Mr. SHADEGG. No doubt shortly after the statute of limitations.

Just, again, reclaiming the time the gentleman has yielded to me graciously, AL GORE, in his perusal of the statutes, could not find a controlling legal authority. My staff found yet another one they thought was interesting.

18 United States Code, section 641, which talks about converting Federal property to a private use. That, of course, brought to my staff's mind the idea that there was a notation, I believe, since we are talking about notations on House documents, that said quote, ready to start overnights right away, and was signed President Clinton.

President Clinton. Now, those initials BC, Bill Clinton? That would be the same one?

Mr. SOUDER. Maybe it was supposed to have a P in front of this one.

Mr. SHADEGG. PBC?

Mr. SOUDER. Well, maybe it was Bill Cosby.

Mr. SHADEGG. There was one last one. The gentleman was just talking about the use of the Buddhist temple and the innocence of the people there. We found one more controlling authority that our friend Mr. GORE might want to take a look at.

It was 18 United States Code, section 371, and 26 United States Code, section 7201, which similarly make it a crime to misuse a tax exempt organization such as, for example, a Buddhist temple which has tax exempt status.

Mr. SOUDER. If the gentleman will yield for a second, I need to make a brief point before yielding to the gentleman from Colorado.

Earlier the gentleman mentioned the White House coffees and the $50,000 for the coffees and mentioned Starbucks. Starbucks is $1.27 for me. I did not want people to think coffee at Starbucks was the same as coffee at the White House.

Mr. SHADEGG. Good point. So coffee at Starbucks is $1.27, coffee at the White House is $50,000.

Mr. SOUDER. Madam Speaker, I yield to the gentleman from Arizona once again.

Mr. SHADEGG. If I could, briefly, while we are on this point, and then I will be happy to yield back. We are trying to bring some light and make this a little humorous, so I hope everyone watching understands this is a little tongue in cheek.

We did discover a rather tongue-in-cheek memo from the White House, actually probably not crafted in the White House because I doubt they would let this memo out, but it says "Clinton White House Lessons Learned in the Campaign of 1996."

I thought the gentleman mentioned some humorous things his friend had sent him, and so I thought I would mention a couple of these things that I thought were rather pointed in the vein of Clinton White House lessons learned in the campaign of 1996.

First, lesson No. 1, "Blame it all on the DNC chairmen."

Lesson No. 2, "Don't give back illegal money until it's discovered in a Senate hearing."

Lesson No. 3, "Make sure all donors know their 5th Amendment rights" against self-incrimination.

Lesson No. 4, "The press won't cover the truth until after the campaign."

Lesson No. 5, "Spin illegal international contributions as 'foreign investment,' helping the trade deficit, pro-labor."

Mr. SOUDER. That is a good point, I never thought it as helping to balance the trade. Get some of our money back.

Mr. SHADEGG. We are trying to help out the economy. Helps the trade deficit and the labor movement.

Lesson No. 6, "Sprint has the best rate for international calls."

Mr. SOUDER. That is good to know, if I ever make one.

Mr. SHADEGG. If we are going to call overseas to get a contribution, use Sprint, it is cheap.

Mr. SOUDER. They have done our field work for us.

Mr. SHADEGG. Lesson No. 7, "Never put it in writing."

This one AL GORE should have learned. Obviously, he does not have friends.

Lesson No. 8, "Friends don't let friends call from work."

And one that touched on the point the gentleman went into at length about what happened in this Buddhist temple, and the fact that people there were extremely generous, as a matter of fact. This is an important Clinton White House lesson learned in the course of the campaign of 1996: "Monks may not be as poor as you think."

Another one, "Don't settle for less."

Yet another, "Never sell the Presidency for less than $50,000," unless of course you can get $50.

Another one, "Felons deserve a second chance: Donor mentoring."

"The CIA can't keep a secret."

Mr. SOUDER. That is something we just recently learned in these hearings.

Mr. SHADEGG. The last one, and I will conclude: "Leak it as soon as you know it, so that before the hearing you can call it old news."

That one we watched play out last week, where it was very important in the Committee on House Oversight that we make all depositions instantaneously public so that they could be old news by the time the hearings were held, and we brought them out and brought them to light and pointed out, oh, by the way this sentence in the deposition demonstrates a crime.

Mr. SOUDER. Then the President says it is old news. "They already proved I did this immorally and illegally." What is news about this?

Mr. SHADEGG. If it was leaked last week or a month ago, it is old news, even if it is just now revealed to show a crime.

I thank the gentleman and give back my time.

Mr. SOUDER. I yield to the gentleman from Michigan, who has been a leader in a lot of these issues in trying to root out corruption in government.

Mr. HOEKSTRA. I thank the gentleman for yielding, and I appreciate some of this tongue-in-cheek tonight, but I think we also recognize that this is very serious business, and recently we have encountered another whole aspect of what may be corruption in the administration. We know that there is corruption.

What I am talking about is an action that the House took here last week, on Friday, and we also took a similar action the week before, and it deals with the Teamsters Union, where in 1996 the Teamsters had another election for a Teamsters president.

The election cost somewhere in the neighborhood of $20 million. And it is kind of like, well, I really hope that when the Teamsters run an election and they spend $20 million, that the Teamster members are entitled to a fair and honest election, and there are Federal laws in place to make sure that that happens.

But there is one slight difference with the Teamsters election in 1996, in that the Teamsters did not pay for the election in 1996. They did not pay for their own election. They did not pay for the printing of the ballots, they did not pay for the counting of the ballots, they did not pay for the facilities that were rented, they did not pay for the campaigns; none of these things. The sad thing was, in 1996, and over a period of about 2½, 3 years, the American taxpayers spent about $20 million, the American taxpayers spent $20 million to pay for a Teamsters election.

The Teamsters election was completed in December 1996, the ballots were completed, counted early in 1997, and on August 22 the election officer who oversaw the election process overthrew the election. She looked at the election, looked at the charges that were made, and said this was a fraudulent election and we are going to throw it out; meaning we have to do it over again.

Mr. SOUDER. Reclaiming my time, I want to make sure that I and those listening understand this. Was it Congress' intent to pay for that election?

Mr. HOEKSTRA. No, we do not think so. It was a consent decree in 1989, where the Justice Department reached an agreement on a series of steps and activities to root out corruption out of the Teamsters and required a democratic election for the president of the Teamsters in 1991 and another election in 1996, and it was optional for the Justice Department or the executive branch to decide who was going to pay for the election in 1996.

□ 2130

In 1991, the Teamsters did exactly the right thing, they said this is an internal operation. We would like Government Oversight to make sure that Federal laws are adhered to and those types of things. The Teamsters paid for their own election in 1997. It was a good, fair, clean election. The people that we have interviewed and told us about that said it was a good election, 1996.

Somewhere around 1993, 1994, we do not know exactly who or where, but somebody said do not worry about that $20 million, Teamsters. The Federal Government is going to pick up that tab. We will pay for it, and who knows what you are going to do with that other $20 million, but the Federal Government will pay for the election. We run the election, and 9 months later we throw it out.

Mr. SOUDER. Reclaiming my time, as my colleague has pointed out repeatedly in other issues, there really is not a Federal Government. That is your people in the district of Michigan and mine in Indiana that paid for that election. You are telling us that the Justice Department decided that we were going to pay for the Teamsters election.

Mr. HOEKSTRA. That is correct.

Mr. SOUDER. And then after, in effect, deciding for us that without a vote that we were going to pay for the election, they were overseeing the election that they now say is corrupt?

Mr. HOEKSTRA. That is absolutely correct. What has happened, and I thank the gentleman from Indiana [Mr. SOUDER] for clarifying this. I was right, the Federal Government paid for it. You were more correct because, you know, when we in Washington spend $20 million, it is not our money, it is taxpayer dollars. It was about $50 a vote for every vote cast is what the American taxpayers paid for the Teamsters election.

Now, the interesting thing is how did the election officer determine to make this serious, you know, change in policy that said, I have reviewed the election, and there is such corruption in this election I am going to throw it out. And what she found in this process was that there was money laundering. There was money laundering to vendors who would bill the Teamsters for certain activity, never complete the activities, but get paid for it and funnel money back into the campaign of Mr. Carey.

There were political action committees, organizations, whose primary intent and focus is to drive the agenda here in this House and drive the agenda here in Washington, who all of a sudden started getting extraordinarily large amounts of dollars from the Teamsters.

This is now the union money, funds coming to the union headquarters in Washington and being sent somewhere with the understanding that if we send you some money, oh, look, they gave me some money.

Mr. SOUDER. Reclaiming my time, is that because the union dues could not be used directly for Mr. Carey's election?

Mr. HOEKSTRA. That is because the union dues could not be used directly for the election of Mr. Carey. So they were laundered through campaign organizations with a quid pro quo, you do this for me and I will do this for you.

The end result is what do we have? We have $20 million of taxpayer money that is right down the drain. We know that when the Teamsters ran their own election, they ran a clean election. When the Federal Government and this administration got involved in the process, we spent $20 million of taxpayers' money and all we got was an illegal election.

So we know that the Teamsters election was full of illegalities. That is why it was overthrown. We know that there

were lots of dollars that were funneled out into congressional campaigns, meaning that I believe that there were many congressional campaigns that we can accurately describe as being tainted elections because the dollars got into those elections in an illegal way. So we have got tainted Teamsters elections. We have got tainted congressional elections. And we have $20 million of taxpayers' money right down the shooter.

I just want to add one thing, what we did last week, in a very surprising vote, is Congress finally stood up twice in the last 10 days and said, we are not going to pay for the rerunning of the Teamsters election. We are going to follow the current law. We can run a Teamsters election fairly. We know that we did that in 1991. We do not need any change of the law to have Teamsters get a fair election. All we need to do is follow the existing law.

In the last 10 days, this Congress and the other body on one occasion have said, we are not going to pay for any more internal operations of the Teamsters. But increasingly, in both cases, we had almost 190 Members of this House say, oh, yeah, we will let the taxpayers pay for the rerun of this election. We have the Justice Department and Labor Department right now figuring out ways to get some money, the money we did not spend in 1996.

We are collecting some fines and penalties. Why are we collecting fines and penalties? These are not wild allegations. There are three people that have already pled guilty and have been fined and the Justice Department saying, wow, here is some more money coming in, these people who will pay for the rerunning of the election.

This House stood up and said, no more. We will supervise the election. It is our job to make sure that the Federal laws are enforced. That is our responsibility. That is the people's responsibility. But it is not the people's responsibility to pay for the printing and counting of ballots and to run the internal operations of the union.

This is an interesting situation. We are going to be taking, I think both of our committees are going to be taking an additional look at this because of the involvement of taxpayers' dollars, the overthrowing of the election, and how it may have gone into other parties of the campaign process in 1996.

Mr. SOUDER. Reclaiming my time, I want to yield, if the gentleman will, for a couple more questions just to reiterate, because it is confusing to a lot of people how this occurred.

As I understand what the gentleman said, is that somewhere along the line, around 1994 or thereabouts, the Justice Department decided that the taxpayers should pay for the election, which had the Teamsters pay for it out of their own dues, would not have left as many dollars for the then President to go out and cut sweetheart deals with contractors and with the Democratic Party in return for them giving money to his campaign.

In other words, if the dues had been used for a fair election, perhaps A, the president of the union might not have won, unless he wasted all his dollars in the campaign, and B, there are Members of Congress whose elections may have been different.

Is that what you are, in effect, saying?

Mr. HOEKSTRA. We are saying that, as a result of the American taxpayer picking up the tab for the 1996 election, the American taxpayer spent $20 million that the Teamsters organization did not have to spend itself. I do not know what they did with that money, where that money went. But I think it is a question that is worth asking.

Just as a side note to this, not only did the American taxpayer pay for the Teamsters election in the U.S., now think about this, the American taxpayer paid for the printing of ballots, paid for the counting of ballots in Canada. We paid to run the private internal organization of the Teamsters not only in the U.S., but also in Canada. Unbelievable.

Mr. SOUDER. Reclaiming my time, I guess it kind of counters the point that the gentleman from Arizona [Mr. SHADEGG] was making earlier about the balance of trade. We were getting money in illegal contributions, but we were taking taxpayer dollars to pay for elections overseas.

My colleague would know this more than I, but my understanding was that the losing candidate actually carried the Midwestern States, where we are from, and lost the Canadian vote which we funded.

Mr. HOEKSTRA. If the gentleman would continue to yield, I believe that if the Teamsters election had only been an U.S. election, the result would have been different. But because the American taxpayer picked up the tab for the Canadian election, the result was different, and that is what pushed Mr. Carey over the top.

And just a quick correction, before we get inundated with faxes, a correction, Canada is not overseas.

Mr. SOUDER. It depends on how you define the Great Lakes. As a police Midwesterner, those are big lakes to us.

Mr. SHADEGG. Madam Speaker, if the gentleman would yield, at the risk of changing topics, and I think that is a vitally important issue about which we are all concerned and it fits with the theme of this hour, I notice we are running out of time, and I wanted to take a moment, both of my colleagues are on the Committee on Education, to raise a separate issue that was raised at the end of the last hour, and ask each of them to comment on it, because I think it is an issue that the American people need to know about.

My questions tonight arise out of a Wall Street Journal column that appeared today that I hope each of my colleagues have seen. It is a column by Lynne Cheney, and it carries the caption "A Failing Grade for Clinton's National Standards." If I could, I just would like to talk about this article for a moment because it is so compelling to me.

I have a 15-year-old and an 11-year-old at home. As a matter of fact, just before coming over here to the floor, I was on the phone with my 15-year-old and asking her some questions, and she was working on her homework and doing a small project for me. Nothing is more important to me than their education. And I am deeply interested that they get a good education and get ahead in this life.

And that takes us to a debate that is at the fore of this Nation right now and on which conferees between the House and Senate will be meeting very soon, and that is the question of national testing. The point I want to make here is that I have reasonable friends at home, very bright people at home, who come to me and say, "Congressman, I do not understand. Why are you against national testing? Should we not, as a Nation, want to know how our students are doing and want to compare our kids in Arizona," my home State, "with the children in other States across the country," such as yours, Indiana. And I walk them through this explanation. But this article really brings the issue home.

I point out to them that the sad reality is that teachers will teach to the test. And maybe that is not so sad. They want their students to do well. So if they know the content of the test, they are going to say, "I better make sure my students learn the content of the test."

So people say to me, okay, Congressman, if you are worried that a national test will cause people to teach to the test, does that not simply say that when the President picked objective areas, such as math, and not more subjective areas, such as social studies, that that really should solve the problem about national testing, we will test English and we will test math and there are black and white, right and wrong answers and we will see how kids are performing and we will not get into the subjective areas like history?

And I point out to them that, while that sounds good, reasonable, rationale people ought to be deadly opposed to National testing. And this article makes it clear why: Because there are not black-and-white areas in today's Washington, D.C. Education Department under Bill Clinton.

And here is the point: The article by Lynne Cheney in today's Wall Street Journal, and I hope my colleagues all have read it and I hope America will read it, talks about a gentleman by the

name of Steven Leinwand. He sits on the committee overseeing President Clinton's proposed national mathematics exams. He has written an essay, and this gentleman is mainstream, new education, Washington, D.C. expert. In the essay he explains why it is "downright dangerous" to teach students things like 6 times 7 equals 42. He says it is downright dangerous to teach students the multiplication facts.

Now why does he say that is dangerous? Because such instruction, teaching kids their multiplication facts, "sorts people out," Mr. Leinwand writes, "annointing the few who master these procedures and casting out the many." His basic principle is, we cannot teach math to kids because some kids will learn the answer, 6 times 7 is 42, and some kids will not learn it; and the kids who do not learn it will feel bad. Now, if that is the kind of mindset that is going to dictate Bill Clinton's national testing and the teachers in America will be compelled to teach to that, I think it is disastrous.

Let me conclude by pointing out, he writes another test for an organization called the National Council of Teachers of Mathematics; and they propose, through this committee, a national math exam that will avoid directly assessing certain knowledge and skills, such as whole-number computation. He does not want kids to be able to do addition, subtraction, multiplication, or division because of this sense that some of them will fail and some of them will feel bad.

And the organization says, in case this exam which they have written might indirectly assess whether 8th graders can add, subtract, multiply and divide, the committee recommends that, even for those basic skills, students should have a calculator throughout the entire time period. This is just amazing to me. But that is why I think national testing, while it sounds good and sounds reasonable, is in fact an attempt to impose a national standard and national agenda that the people in Arizona do not really like.

□ 2145

Mr. HOEKSTRA. The problem gets to be, and we have had hearings around the country in my subcommittee. I chair an oversight subcommittee, and we have been taking a look at education.

Mr. SHADEGG. Did a hearing in my district in Arizona.

Mr. HOEKSTRA. We have been in Arizona, and we also went to Delaware, and the reason I bring up Delaware is, Delaware is the size of one of our congressional districts, all right? So, you know, Delaware said, we want a State test, and what Delaware did is, they spent 3 years starting at the grassroots level to develop a State test. Remember, one congressional district; Michigan has 16. It took them 3 years to develop a test, because they wanted to get parental by, and they wanted to get teacher by, and they want to get school administrator, business community. They wanted the State to accept the test. Bill Clinton wanted to take 10 months and, top down, drive a test and impose it on all of America, on every school, on every child, and have them test, the exact wrong. It is the "Washington knows best" mentality rather than doing a grass, which is going on in the States right now; States are developing tests, and it is a grassroots, bottom-up type of move, not good enough for our President. Bill Clinton wants to be the expert, says, I am going to develop a test, I am going to impose it on everybody.

Mr. SHADEGG. Reclaiming my time, top down is just dead wrong.

I want to rebut one other argument in support of national testing, and that is, the proponents of this idea said, well, States can opt out, and Lynne Cheney, in writing this article which I commend to all of my colleagues here in the Congress and to all of America, points out that even if States choose to opt out, a Federal test will strongly influence the textbooks because they are only a handful of textbook companies, and they are going to write those textbooks to such a national task.

And it seems to me the whole notion of, well, one or two States, Arizona, can opt out; heck, Arizona opted out of daylight savings time, one of, I think, only two States in the Nation which did. But in this field, where Arizona just said, we do not want that national test, the textbooks we would have to go purchase would be driven by that top down Bill Clinton dictated, but I do not care if it was Ronald Reagan dictated top down, one-size-fits-all standard, and I think it is a mistake.

Mr. SOUDER. Reclaiming my time, because I would like to kind of tie a couple things together here, and one of the things we are seeing is that what has gone on in this country, it is hard for us, many of us do not get up here every day and talk, but it does not pass the laugh test. I mean a national test where the person on the math board does not want to do 7 times 6 equal 42, because it might intimidate some people that they feel left out or behind.

The idea that the taxpayers are going to pay for a Teamsters election so the Teamsters can use their money, the leadership, to try to finance their own race against what appears to have been the majority of the Teamsters members of the United States, and we pay for Canadian ballots, and then that money goes and elects other Members of Congress who claim they want campaign finance reform.

How about those members paying for the Teamsters election who got and benefited from the money of the Teamsters' members and the taxpayers of the United States, and it flowed into their campaign. How about following the current law?

Another debate that we are currently having that I simply cannot fathom is on the Census, because it is fine to use sampling to try to set up and understand where we are headed, but it is not fine to do the actual count mandated by the Constitution by guessing. That would be like going to the Clinton administration political appointees and saying, we are going to throw one out of every five of you in jail because we know at the end of this time, and when we get through, done with everything, one out of five is going to jail. They may have the wrong person, just like in the sampling that they have had around the country, they may have the people in the wrong State. That is real sad, but at least they got the rough number calculated.

It does not pass a laugh test. National tests do not pass the laugh test. The funding of the Teamsters election, which the gentleman from Michigan has twice now had this House go on record where, against the Census sampling, it does not pass the laugh test, and, quite frankly, the President of the United States threatened to recall lawmakers to the Hill so that we would have a special session on campaign finance and the people here in the House who keep saying this, it is a joke, it is an insult to the intelligence of the American people in a book, now discounted because it did not sell that great, called "Putting People First" by Governor Bill Clinton and Senator AL GORE.

In campaign finance reform, to show you how humorous this is, it says American politics is being held hostage by big money interests. Members of Congress now collect more than $2.5 million in campaign funds every week, like he did, while political action committees, industry lobbies, and cliques of $100,000 donors buy access to the White House. This is what Bill Clinton ran against, and he turned it into an art form.

This simply does not pass the laugh test, and it is so frustrating to me, and I know that, and I thank the two gentlemen who are here tonight on this special order who have been leaders in investigating this and in campaigning against this, and I enjoy working with both of you on the different committees.

I do not know if any of you have a concluding comment here, too, but I wanted to get that last comment in. No matter what area we look at right now, whether it is Census sampling, national tests, Teamsters election, campaign finance reform, it is hard for me to believe the American people are taking this seriously.

Mr. HOEKSTRA. If the gentleman would yield, I think it is pretty exciting we have made some progress on the

education issue again, but it is interesting to watch the debate. In the Senate a couple of weeks ago, they passed a motion that said, they passed an amendment that said we are moving decisionmaking back.

CONFERENCE REPORT ON H.R. 2378

Mr. KOLBE submitted the following conference report and statement on the bill (H.R. 2378) making appropriations for the Treasury Department, the United States Postal Service, the Executive Office of the President, and certain Independent Agencies, for the fiscal year ending September 30, 1998, and for other purposes:

CONFERENCE REPORT H. REPT. 105–284

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 2378) "making appropriations for the Treasury Department, the United States Postal Service, the Executive Office of the President, and certain Independent Agencies, for the fiscal year ending September 30, 1998, and for other purposes," having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate, and agree to the same with an amendment, as follows:

In lieu of the matter stricken and inserted by said amendment, insert:

That the following sums are appropriated, out of any money in the Treasury not otherwise appropriated, for the fiscal year ending September 30, 1998, and for other purposes, namely:

TITLE I—DEPARTMENT OF THE TREASURY

DEPARTMENTAL OFFICES

SALARIES AND EXPENSES

For necessary expenses of the Departmental Offices including operation and maintenance of the Treasury Building and Annex; hire of passenger motor vehicles; maintenance, repairs, and improvements of, and purchase of commercial insurance policies for, real properties leased or owned overseas, when necessary for the performance of official business; not to exceed $2,900,000 for official travel expenses; not to exceed $150,000 for official reception and representation expenses; not to exceed $258,000 for unforeseen emergencies of a confidential nature, to be allocated and expended under the direction of the Secretary of the Treasury and to be accounted for solely on his certificate; $114,771,000: Provided, That section 113(2) of the Fiscal Year 1997 Department of Commerce, Justice, and State, the Judiciary, and Related Agencies Appropriations Act, Public Law 104–208 (110 Stat. 3009–22) is amended by striking "12 months" and inserting in lieu thereof "2 years": Provided further, That the Office of Foreign Assets Control shall be funded at no less than $4,500,000: Provided further, That chapter 9 of the fiscal year 1997 Supplemental Appropriations Act for Recovery from Natural Disasters, and for Overseas Peacekeeping Efforts, including those in Bosnia, Public Law 105–18 (111 Stat. 195–96) is amended by inserting after the "County of Denver" in each instance "the County of Arapahoe": Provided further, That $200,000 are provided to conduct a comprehensive study of gambling's effects on bankruptcies in the United States: Provided further, That for necessary expenses of the Office of Enforcement, including, but not limited to, making transfers of funds to Treasury bureaus and offices for programs, projects or initiatives directed as the investigation or prosecution of violent crime, $1,600,000, to remain available until expended, to be derived from balances available in the Violent Crime Reduction Trust Fund.

OFFICE OF PROFESSIONAL RESPONSIBILITY

SALARIES AND EXPENSES

For necessary expenses of the Office of Professional Responsibility, including purchase and hire of passenger motor vehicles, $1,250,000: Provided, That the Under Secretary of Treasury for Enforcement shall task the Office of Professional Responsibility to conduct a comprehensive review of integrity issues and other matters related to the potential vulnerability of the U.S. Customs Service to corruption, to include examination of charges of professional misconduct and corruption as well as analysis of the efficacy of departmental and bureau internal affairs systems.

AUTOMATION ENHANCEMENT

(INCLUDING TRANSFER OF FUNDS)

For the development and acquisition of automatic data processing equipment, software, and services for the Department of the Treasury, $25,889,000, of which $11,000,000 shall be available to the United States Customs Service for the Automated Commercial Environment project, of which $6,100,000 shall be available to Departmental Offices for the International Trade Data System, and of which $8,789,000 shall be available to Departmental Offices to modernize its information technology infrastructure and for business solution software: Provided, That these funds shall remain available until September 30, 1999: Provided further, That these funds shall be transferred to accounts and in amounts as necessary to satisfy the requirements of the Department's offices, bureaus, and other organizations: Provided further, That this transfer authority shall be in addition to any other transfer authority provided in this Act: Provided further, That none of the funds appropriated shall be used to support or supplement Internal Revenue Service appropriations for Information Systems: Provided further, That of the $27,000,000 provided under this heading in Public Law 104–208, $12,000,000 shall remain available until September 30, 1999: Provided further, That none of the funds appropriated for the International Trade Data System may be obligated until the Department has submitted a report on its system development plan to the Committees on Appropriations: Provided further, That the funds appropriated for the Automated Commercial Environment project may not be obligated until the Commissioner of Customs has submitted a systems architecture plan and a milestone schedule for the development and implementation of all projects included in the systems architecture plan, and the plan and schedule have been reviewed by the General Accounting Office and approved by the Committees on Appropriations.

OFFICE OF INSPECTOR GENERAL

SALARIES AND EXPENSES

(INCLUDING TRANSFER OF FUNDS)

For necessary expenses of the Office of Inspector General in carrying out the provisions of the Inspector General Act of 1978, as amended, not to exceed $2,000,000 for official travel expenses; including hire of passenger motor vehicles; and not to exceed $100,000 for unforeseen emergencies of a confidential nature, to be allocated and expended under the direction of the Inspector General of the Treasury; $29,719,000, of which $26,034 shall be transferred to the "Departmental Offices" appropriation for the reimbursement of Secret Service personnel in accordance with section 115 of this Act.

TREASURY BUILDING AND ANNEX REPAIR AND RESTORATION

For the repair, alteration, and improvement of the Treasury Building and Annex, $10,484,000, to remain available until September 30, 1999.

FINANCIAL CRIMES ENFORCEMENT NETWORK

SALARIES AND EXPENSES

For necessary expenses of the Financial Crimes Enforcement Network, including hire of passenger motor vehicles; travel expenses of non-Federal law enforcement personnel to attend meetings concerned with financial intelligence activities, law enforcement, and financial regulation; not to exceed $14,000 for official reception and representation expenses; and for assistance to Federal law enforcement agencies, with or without reimbursement; $22,835,000: Provided, That funds appropriated in this account may be used to procure personal services contracts.

VIOLENT CRIME REDUCTION PROGRAMS

(INCLUDING TRANSFER OF FUNDS)

For activities authorized by Public Law 103–322, to remain available until expended, which shall be derived from the Violent Crime Reduction Trust Fund, as follows:

(a) As authorized by section 190001(e), $131,000,000; of which $19,421,000 shall be available to the Bureau of Alcohol, Tobacco and Firearms, including $3,000,000 for administering the Gang Resistance Education and Training program, $3,974,000 for the canine explosives detection program, $5,200,000 for CEASEFIRE/IBIS, $5,639,000 for vehicles and communications systems, and $1,608,000 for collection of information on arson and explosives; of which $1,000,000 shall be available to the Financial Crimes Enforcement Network for the Secure Outreach/Encrypted Transmission Program; of which $15,731,000 shall be available to the United States Secret Service, including $6,700,000 for vehicle replacement, $1,460,000 to provide technical assistance and to assess the effectiveness of new technology intended to combat identity-based crimes, $5,000,000 for investigations of counterfeiting, and $2,571,000 for forensic and related support of investigations of missing and exploited children, of which $571,000 shall be available as a grant for activities related to the investigations of exploited children and shall remain available until expended; of which $60,648,000 shall be available for the United States Customs Service, including $15,000,000 for high energy container x-ray systems and automated targeting systems, $5,735,000 for laboratory modernization, $7,400,000 for vehicle replacement, $8,413,000 for anti-smuggling inspectors, $9,500,000 for the passenger processing initiative, $4,000,000 for redeploying agents and inspectors to high threat drug zones, $4,500,000 for Forward-Looking Infrared capabilities, $1,100,000 for construction of canopies for inspection of outbound vehicles along the Southwest border, and $5,000,000 to acquire vehicle and container inspection systems; of which $20,200,000 shall be available to the Office of National Drug Control Policy, including $13,000,000 to the Counterdrug Technology Assessment Center for a program to transfer technology to State and local law enforcement agencies, $6,000,000 for a Federal Drug Free Prison Zone demonstration project, and $1,200,000 for Model State Drug Law Conferences; and of which $3,000,000 is provided to Federal Drug Control Programs for the Rocky Mountain HIDTA;

(b) As authorized by section 32401, $10,000,000 to the Bureau of Alcohol, Tobacco and Firearms for disbursement through grants, cooperative agreements, or contracts to local governments for Gang Resistance Education and Training: Provided, That notwithstanding sections 32401 and 310001, such funds shall be allocated to

State and local law enforcement and prevention organizations;

(c) As authorized by section 180103, $1,000,000 to the Federal Law Enforcement Training Center for specialized training for rural law enforcement officers.

FEDERAL LAW ENFORCEMENT TRAINING CENTER

SALARIES AND EXPENSES

For necessary expenses of the Federal Law Enforcement Training Center, as a bureau of the Department of the Treasury, including materials and support costs of Federal law enforcement basic training; purchase (not to exceed 52 for police-type use, without regard to the general purchase price limitation) and hire of passenger motor vehicles; for expenses for student athletic and related activities; uniforms without regard to the general purchase price limitation for the current fiscal year; the conducting of and participating in firearms matches and presentation of awards; for public awareness and enhancing community support of law enforcement training; not to exceed $9,500 for official reception and representation expenses; room and board for student interns; and services as authorized by 5 U.S.C. 3109; $64,663,000, of which up to $13,034,000 for materials and support costs of Federal law enforcement basic training shall remain available until September 30, 2000: Provided, That the Center is authorized to accept and use gifts of property, both real and personal, and to accept services, for authorized purposes, including funding of a gift of intrinsic value which shall be awarded annually by the Director of the Center to the outstanding student who graduated from a basic training program at the Center during the previous fiscal year, which shall be funded only by gifts received through the Center's gift authority: Provided further, That notwithstanding any other provision of law, students attending training at any Federal Law Enforcement Training Center site shall reside in on-Center or Center-provided housing, insofar as available and in accordance with Center policy: Provided further, That funds appropriated in this account shall be available, at the discretion of the Director, for: training United States Postal Service law enforcement personnel and Postal police officers; State and local government law enforcement training on a space-available basis; training of foreign law enforcement officials on a space-available basis with reimbursement of actual costs to this appropriation, except that reimbursement may be waived by the Secretary for law enforcement training activities in foreign countries undertaken pursuant to section 801 of the Antiterrorism and Effective Death Penalty Act of 1996, Public Law 104–32; training of private sector security officials on a space-available basis with reimbursement of actual costs to this appropriation; and travel expenses of non-Federal personnel to attend course development meetings and training at the Center: Provided further, That the Center is authorized to obligate funds in anticipation of reimbursements from agencies receiving training at the Federal Law Enforcement Training Center, except that total obligations at the end of the fiscal year shall not exceed total budgetary resources available at the end of the fiscal year: Provided further, That the Federal Law Enforcement Training Center is authorized to provide short term medical services for students undergoing training at the Center.

ACQUISITION, CONSTRUCTION, IMPROVEMENTS, AND RELATED EXPENSES

For expansion of the Federal Law Enforcement Training Center, for acquisition of necessary additional real property and facilities, and for ongoing maintenance, facility improvements, and related expenses, $32,548,000, to remain available until expended.

INTERAGENCY LAW ENFORCEMENT

INTERAGENCY CRIME AND DRUG ENFORCEMENT

For expenses necessary for the detection and investigation of individuals involved in organized crime drug trafficking, including cooperative efforts with State and local law enforcement, $73,794,000, of which $7,827,000 shall remain available until expended.

FINANCIAL MANAGEMENT SERVICE

SALARIES AND EXPENSES

For necessary expenses of the Financial Management Service, $202,490,000, of which not to exceed $13,235,000 shall remain available until September 30, 2000 for information systems modernization initiatives: Provided, That beginning in fiscal year 1998 and thereafter, there are appropriated such sums as may be necessary to reimburse Federal Reserve Banks in their capacity as depositaries and fiscal agents for the United States for all services required or directed by the Secretary of the Treasury to be performed by such banks on behalf of the Treasury or other Federal agencies.

BUREAU OF ALCOHOL, TOBACCO AND FIREARMS

SALARIES AND EXPENSES

For necessary expenses of the Bureau of Alcohol, Tobacco and Firearms, including purchase of not to exceed 650 vehicles for police-type use for replacement only and hire of passenger motor vehicles; hire of aircraft; services of expert witnesses at such rates as may be determined by the Director; for payment of per diem and/or subsistence allowances to employees where an assignment to the National Response Team during the investigation of a bombing or arson incident requires an employee to work 16 hours or more per day or to remain overnight at his or her post of duty; not to exceed $12,500 for official reception and representation expenses; for training of State and local law enforcement agencies with or without reimbursement, including training in connection with the training and acquisition of canines for explosives and fire accelerants detection; and provision of laboratory assistance to State and local agencies, with or without reimbursement; $478,934,000, of which $1,250,000 may be used for the Youth Crime Gun Interdiction Initiative; of which not to exceed $1,000,000 shall be available for the payment of attorneys' fees as provided by 18 U.S.C. 924(d)(2); and of which $1,000,000 shall be available for the equipping of any vessel, vehicle, equipment, or aircraft available for official use by a State or local law enforcement agency if the conveyance will be used in drug-related joint law enforcement operations with the Bureau of Alcohol, Tobacco and Firearms and for the payment of overtime salaries, travel, fuel, training, equipment, and other similar costs of State and local law enforcement officers that are incurred in joint operations with the Bureau of Alcohol, Tobacco and Firearms: Provided, That no funds made available by this or any other Act may be used to transfer the functions, missions, or activities of the Bureau of Alcohol, Tobacco and Firearms to other agencies or Departments in the fiscal year ending on September 30, 1998: Provided further, That no funds appropriated herein shall be available for salaries or administrative expenses in connection with consolidating or centralizing, within the Department of the Treasury, the records, or any portion thereof, of acquisition and disposition of firearms maintained by Federal firearms licensees: Provided further, That no funds appropriated herein shall be used to pay administrative expenses or the compensation of any officer or employee of the United States to implement an amendment or amendments to 27 CFR 178.118 or to change the definition of "Curios or relics" in 27 CFR 178.11 or remove any item from ATF Publication 5300.11 as it existed on January 1, 1994: Provided further, That none of the funds appropriated herein shall be available to investigate or act upon applications for relief from Federal firearms disabilities under 18 U.S.C. 925(c): Provided further, That such funds shall be available to investigate and act upon applications filed by corporations for relief from Federal firearms disabilities under 18 U.S.C. 925(c): Provided further, That no funds in this Act may be used to provide ballistics imaging equipment to any State or local authority who has obtained similar equipment through a Federal grant or subsidy unless the State or local authority agrees to return that equipment or to repay that grant or subsidy to the Federal Government: Provided further, That no funds under this Act may be used to electronically retrieve information gathered pursuant to 18 U.S.C. 923(g)(4) by name or any personal identification code.

LABORATORY FACILITIES

For necessary expenses for construction of a new facility or facilities to house the Bureau of Alcohol, Tobacco and Firearms National Laboratory Center and the Fire Investigation Research and Development Center, not to exceed 185,000 occupiable square feet, $55,022,000 to remain available until expended: Provided, That these funds shall not be available until a prospectus for the Laboratory Facilities is reviewed and resolutions of authorization are approved by the House Committee on Transportation and Infrastructure and the Senate Committee on Environment and Public Works.

UNITED STATES CUSTOMS SERVICE

SALARIES AND EXPENSES

For necessary expenses of the United States Customs Service, including purchase and lease of up to 1,050 motor vehicles of which 985 are for replacement only and of which 1,030 are for police-type use and commercial operations; hire of motor vehicles; contracting with individuals for personal services abroad; not to exceed $30,000 for official reception and representation expenses; and awards of compensation to informers, as authorized by any Act enforced by the United States Customs Service; $1,522,165,000, of which such sums as become available in the Customs User Fee Account, except sums subject to section 13031(f)(3) of the Consolidated Omnibus Reconciliation Act of 1985, as amended (19 U.S.C. 58c(f)(3)), shall be derived from that Account; of the total, not to exceed $150,000 shall be available for payment for rental space in connection with preclearance operations, and not to exceed $4,000,000 shall be available until expended for research, not to exceed $5,000,000 shall be available until expended for conducting special operations pursuant to 19 U.S.C. 2081, and up to $6,000,000 shall be available until expended for the procurement of automation infrastructure items, including hardware, software, and installation: Provided, That uniforms may be purchased without regard to the general purchase price limitation for the current fiscal year: Provided further, That $1,250,000 shall be available to fund the Global Trade and Research Program at the Montana World Trade Center: Provided further, That notwithstanding any other provision of law, the fiscal year aggregate overtime limitation prescribed in subsection 5(c)(1) of the Act of February 13, 1911 (19 U.S.C. 261 and 267) shall be $30,000.

OPERATIONS, MAINTENANCE AND PROCUREMENT, AIR AND MARINE INTERDICTION PROGRAMS

For expenses, not otherwise provided for, necessary for the operation and maintenance of marine vessels, aircraft, and other related equipment of the Air and Marine Programs, including operational training and mission-related travel, and rental payments for facilities occupied by the air or marine interdiction and demand reduction programs, the operations of which include: the interdiction of narcotics and other

goods; the provision of support to Customs and other Federal, State, and local agencies in the enforcement or administration of laws enforced by the Customs Service; and, at the discretion of the Commissioner of Customs, the provision of assistance to Federal, State, and local agencies in other law enforcement and emergency humanitarian efforts; $92,758,000, which shall remain available until expended: Provided, That no aircraft or other related equipment, with the exception of aircraft which is one of a kind and has been identified as excess to Customs requirements and aircraft which has been damaged beyond repair, shall be transferred to any other Federal agency, Department, or office outside of the Department of the Treasury, during fiscal year 1998 without the prior approval of the Committees on Appropriations.

CUSTOMS SERVICES AT SMALL AIRPORTS

(TO BE DERIVED FROM FEES COLLECTED)

Beginning in fiscal year 1998 and thereafter, such sums as may be necessary for expenses for the provision of Customs services at certain small airports or other facilities when authorized by law and designated by the Secretary of the Treasury, including expenditures for the salary and expenses of individuals employed to provide such services, to be derived from fees collected by the Secretary pursuant to section 236 of Public Law 98–573 for each of these airports or other facilities when authorized by law and designated by the Secretary, and to remain available until expended.

HARBOR MAINTENANCE FEE COLLECTION

For administrative expenses related to the collection of the Harbor Maintenance Fee, pursuant to Public Law 103–182, $3,000,000, to be derived from the Harbor Maintenance Trust Fund and to be transferred to and merged with the Customs "Salaries and Expenses" account for such purposes.

BUREAU OF THE PUBLIC DEBT

ADMINISTERING THE PUBLIC DEBT

For necessary expenses connected with any public-debt issues of the United States, $173,826,000, of which not to exceed $2,500 shall be available for official reception and representation expenses, and of which $2,000,000 shall remain available until September 30, 2000 for information systems modernization initiatives: Provided, That the sum appropriated herein from the General Fund for fiscal year 1998 shall be reduced by not more than $4,400,000 as definitive security issue fees and Treasury Direct Investor Account Maintenance fees are collected, so as to result in a final fiscal year 1998 appropriation from the General Fund estimated at $169,426,000, and in addition, $20,000, to be derived from the Oil Spill Liability Trust Fund to reimburse the Bureau for administrative and personnel expenses for financial management of the Fund, as authorized by section 102 of Public Law 101–380: Provided further, That notwithstanding any other provisions of law, effective upon enactment, the Bureau of the Public Debt shall be fully and directly reimbursed by the funds described in Public Law 101–136, title I, section 104, 103 Stat. 789 for costs and services performed by the Bureau in the administration of such funds.

INTERNAL REVENUE SERVICE

PROCESSING, ASSISTANCE, AND MANAGEMENT

For necessary expenses of the Internal Revenue Service, not otherwise provided for; including processing tax returns; revenue accounting; providing tax law and account assistance to taxpayers by telephone and correspondence; matching information returns and tax returns; management services; rent and utilities; and inspection; including purchase (not to exceed 150 for replacement only for police-type use) and hire of passenger motor vehicles (31 U.S.C. 1343(b)); and services as authorized by 5 U.S.C. 3109, at such rates as may be determined by the Commissioner; $2,925,874,000, of which up to $3,700,000 shall be for the Tax Counseling for the Elderly Program, and of which not to exceed $25,000 shall be for official reception and representation expenses.

TAX LAW ENFORCEMENT

(INCLUDING RESCISSION)

For necessary expenses of the Internal Revenue Service for determining and establishing tax liabilities; tax and enforcement litigation; technical rulings; examining employee plans and exempt organizations; investigation and enforcement activities; securing unfiled tax returns; collecting unpaid accounts; statistics of income and compliance research; the purchase (for police-type use, not to exceed 850), and hire of passenger motor vehicles (31 U.S.C. 1343(b)); and services as authorized by 5 U.S.C. 3109, at such rates as may be determined by the Commissioner, $3,142,822,000: Provided, That of the funds appropriated under this heading in Public Law 104–208, $26,000,000 is rescinded and in Public Law 104–52, $6,000,000 is rescinded.

EARNED INCOME TAX CREDIT COMPLIANCE INITIATIVE

For funding essential earned income tax credit compliance and error reduction initiatives pursuant to section 5702 of the Balanced Budget Act of 1997 (Public Law 105–33), $138,000,000, of which not to exceed $10,000,000 may be used to reimburse the Social Security Administration for the costs of implementing section 1090 of the Taxpayer Relief Act of 1997.

INFORMATION SYSTEMS

For necessary expenses for data processing and telecommunications support for Internal Revenue Service activities, including developmental information systems and operational information systems; the hire of passenger motor vehicles (31 U.S.C. 1343(b)); and services as authorized by 5 U.S.C. 3109, at such rates as may be determined by the Commissioner, $1,272,487,000, which shall be available until September 30, 1999: Provided, That under the heading "Information Systems" in Public Law 104–208 (110 Stat. 3009), the following is deleted: "of which no less than $130,075,000 shall be available for Tax Systems Modernization (TSM) development and deployment": Provided further, That the IRS shall submit a reprogramming request, of which no less than $87,000,000 shall be available for Year 2000 conversion: Provided further, That none of the funds under this heading, or funds made available under this heading in any previous Acts, may be obligated to award or otherwise initiate a Prime contract to implement the Internal Revenue Service's Modernization blueprint submitted to Congress on May 15, 1997, although funds may be used to develop a Request for Proposals for the Prime contract.

INFORMATION TECHNOLOGY INVESTMENTS

For necessary expenses for the capital asset acquisition of information technology systems, including management and related contractual costs of said acquisition, including contractual costs associated with operations as authorized by 5 U.S.C. 3109, $325,000,000, which shall remain available until September 30, 2000: Provided, That none of these funds is available for obligation until September 1, 1998: Provided further, That none of these funds shall be obligated until the Internal Revenue Service and the Department of the Treasury submits to Congress for approval, a plan for expenditure that: (1) implements the Internal Revenue Service's Modernization Blueprint submitted to Congress on May 15, 1997; (2) meets the information systems investment guidelines established by the Office of Management and Budget in the fiscal year 1998 budget; (3) has been reviewed and approved by the Internal Revenue Service's Investment Review Board, the Office of Management and Budget, and the Department of the Treasury's Modernization Management Board, and has been reviewed by the General Accounting Office; (4) meets the requirements of the May 15, 1997 Internal Revenue Service's Systems Life Cycle program; and (5) is in compliance with acquisition rules, requirements, guidelines, and systems acquisition management practices of the Federal Government.

ADMINISTRATIVE PROVISIONS—INTERNAL REVENUE SERVICE

SECTION 101. Not to exceed 5 percent of any appropriation made available in this Act to the Internal Revenue Service may be transferred to any other Internal Revenue Service appropriation upon the advance approval of the House and Senate Committees on Appropriations.

SEC. 102. The Internal Revenue Service shall maintain a training program to ensure that Internal Revenue Service employees are trained in taxpayers' rights, in dealing courteously with the taxpayers, and in cross-cultural relations.

SEC. 103. The funds provided in this Act for the Internal Revenue Service shall be used to provide, as a minimum, the fiscal year 1995 level of service, staffing, and funding for Taxpayer Services.

SEC. 104. None of the funds appropriated by this title shall be used in connection with the collection of any underpayment of any tax imposed by the Internal Revenue Code of 1986 unless the conduct of officers and employees of the Internal Revenue Service in connection with such collection, including any private sector employees under contract to the Internal Revenue Service, complies with subsection (a) of section 805 (relating to communications in connection with debt collection), and section 806 (relating to harassment or abuse), of the Fair Debt Collection Practices Act (15 U.S.C. 1692).

SEC. 105. The Internal Revenue Service shall institute and enforce policies and procedures which will safeguard the confidentiality of taxpayer information.

SEC. 106. Funds made available by this or any other Act to the Internal Revenue Service shall be available for improved facilities and increased manpower to provide sufficient and effective 1–800 help line for taxpayers. The Commissioner shall continue to make the improvement of the IRS 1–800 help line service a priority and allocate resources necessary to increase phone lines and staff to improve the IRS 1–800 help line service.

SEC. 107. Hereafter, no field support reorganization of the Internal Revenue Service shall be undertaken in Aberdeen, South Dakota until the Internal Revenue Service toll-free help phone line assistance program reaches at least an 80 percent service level. The Commissioner shall submit to Congress a report and the GAO shall certify to Congress that the 80 percent service level has been met.

SEC. 108. Notwithstanding any other provision of law, no reorganization of the field office structure of the Internal Revenue Service Criminal Investigation division will result in a reduction of criminal investigators in Wisconsin and South Dakota from the 1996 level.

UNITED STATES SECRET SERVICE

SALARIES AND EXPENSES

For necessary expenses of the United States Secret Service, including purchase not to exceed 705 vehicles for police-type use, of which 675 shall be for replacement only, and hire of passenger motor vehicles; hire of aircraft; training and assistance requested by State and local governments, which may be provided without reimbursement; services of expert witnesses at such rates as may be determined by the Director; rental of buildings in the District of Columbia, and fencing, lighting, guard booths, and other

facilities on private or other property not in Government ownership or control, as may be necessary to perform protective functions; for payment of per diem and/or subsistence allowances to employees where a protective assignment during the actual day or days of the visit of a protectee require an employee to work 16 hours per day or to remain overnight at his or her post of duty; the conducting of and participating in firearms matches; presentation of awards; for travel of Secret Service employees on protective missions without regard to the limitations on such expenditures in this or any other Act if approval is obtained in advance from the House and Senate Committees on Appropriations; for repairs, alterations, and minor construction at the James J. Rowley Secret Service Training Center; for research and development; for making grants to conduct behavioral research in support of protective research and operations; not to exceed $20,000 for official reception and representation expenses; for sponsorship of a conference for the Women in Federal Law Enforcement, to be held during fiscal year 1998; not to exceed $50,000 to provide technical assistance and equipment to foreign law enforcement organizations in counterfeit investigations; for payment in advance for commercial accommodations as may be necessary to perform protective functions; and for uniforms without regard to the general purchase price limitation for the current fiscal year; $564,348,000.

ACQUISITION, CONSTRUCTION, IMPROVEMENT, AND RELATED EXPENSES

For necessary expenses of construction, repair, alteration, and improvement of facilities, $8,799,000, to remain available until expended.

GENERAL PROVISIONS—DEPARTMENT OF THE TREASURY

SEC. 110. Any obligation or expenditure by the Secretary in connection with law enforcement activities of a Federal agency or a Department of the Treasury law enforcement organization in accordance with 31 U.S.C. 9703(g)(4)(B) from unobligated balances remaining in the Fund on September 30, 1998, shall be made in compliance with reprogramming guidelines.

SEC. 111. Appropriations to the Treasury Department in this Act shall be available for uniforms or allowances therefor, as authorized by law (5 U.S.C. 5901), including maintenance, repairs, and cleaning; purchase of insurance for official motor vehicles operated in foreign countries; purchase of motor vehicles without regard to the general purchase price limitations for vehicles purchased and used overseas for the current fiscal year; entering into contracts with the Department of State for the furnishing of health and medical services to employees and their dependents serving in foreign countries; and services authorized by 5 U.S.C. 3109.

SEC. 112. The funds provided to the Bureau of Alcohol, Tobacco and Firearms for fiscal year 1998 in this Act for the enforcement of the Federal Alcohol Administration Act shall be expended in a manner so as not to diminish enforcement efforts with respect to section 105 of the Federal Alcohol Administration Act.

SEC. 113. Not to exceed 2 percent of any appropriations in this Act made available to the Federal Law Enforcement Training Center, Financial Crimes Enforcement Network, Bureau of Alcohol, Tobacco and Firearms, U.S. Customs Service, and U.S. Secret Service may be transferred between such appropriations upon the advance approval of the House and Senate Committees on Appropriations. No transfer may increase or decrease any such appropriation by more than 2 percent.

SEC. 114. Not to exceed 2 percent of any appropriations in this Act made available to the Departmental Offices, Office of Inspector General, Financial Management Service, and Bureau of the Public Debt, may be transferred between such appropriations upon the advance approval of the House and Senate Committees on Appropriations. No transfer may increase or decrease any such appropriation by more than 2 percent.

SEC. 115. The Secretary of the Treasury shall pay from amounts transferred to the "Departmental Offices" appropriation, up to $26,034 to reimburse Secret Service personnel for any attorney fees and costs they incurred with respect to investigation by the Department of the Treasury Inspector General concerning testimony provided to Congress: Provided, That the Secretary of the Treasury shall pay an individual in full upon submission by the individual of documentation verifying the attorney fees and costs: Provided further, That the liability of the United States shall not be inferred from enactment of or payment under this provision: Provided further, That the Secretary of the Treasury shall not pay any claim filed under this section that is filed later than 120 days after the date of enactment of this Act: Provided further, That payment under this provision, when accepted, shall be in full satisfaction of all claims of, or on behalf of, the individual Secret Service agents who were the subjects of said investigation.

SEC. 116. (a)(1) Effective beginning on the date determined under paragraph (2), the compensation and other emoluments attached to the Office of Secretary of the Treasury shall be those that would then apply if Public Law 103–2 (107 Stat. 4; 31 U.S.C. 301 note) had never been enacted.

(2) Paragraph (1) shall become effective on the later of—

(A) the day after the date on which the individual holding the Office of Secretary of the Treasury on January 1, 1997, ceases to hold that office; or

(B) the date of the enactment of this Act.

(3) Nothing in this subsection shall be considered to affect the compensation or emoluments due to any individual in connection with any period preceding the date determined under paragraph (2).

(b) Subsection (b) of the first section of the public law referred to in subsection (a)(1) of this section shall not apply in the case of any appointment the consent of the Senate to which occurs on or after the date of the enactment of this Act.

(c) This section shall not be limited (for purposes of determining whether a provision of this section applies or continues to apply) to fiscal year 1998.

SEC. 117. (a) REQUIREMENT OF ADVANCE SUBMISSION OF TREASURY TESTIMONY.—During the fiscal year covered by this Act, any officer or employee of the Department of the Treasury who is scheduled to testify before the Committee on Appropriations of the House of Representatives or the Senate, or any of its subcommittees, shall, not less than 7 calendar days (excluding Saturdays, Sundays, and Federal legal public holidays) preceding the scheduled date of the testimony, submit to the committee or subcommittee—

(1) a written statement of the testimony to be presented, regardless of whether such statement is to be submitted for inclusion in the record of the hearing; and

(2) any other written information to be submitted for inclusion in the record of the hearing.

(b) LIMITATION ON TREASURY CLEARANCE PROCESS.—None of the funds made available in this Act may be used for any clearance process within the Department of the Treasury that could cause a submission beyond the specified time, as officially transmitted by the committee, of—

(1) any corrections to the transcript copy of testimony given before the Committee on Appropriations of the House of Representatives or the Senate, or any of its subcommittees; or

(2) any information to be provided in writing in response to an oral or written request by such committee or subcommittee for specific information for inclusion in the record of the hearing.

(b) EXCEPTION.—The time periods established in subsections (a) and (b) shall not apply to any specific testimony, or corrections, if the Secretary of the Treasury—

(1) determines that special circumstances prevent compliance; and

(2) submits to the committee or subcommittee involved a written notification of such determination, including the Secretary's estimate of the time periods required for specific testimony, information, or corrections.

SEC. 118. (a) NEW RATES OF BASIC PAY.—Section 501 of the District of Columbia Police and Firemen's Salary Act of 1958, (District of Columbia Code, section 4–416), is amended—

(1) in subsection (b)(1), by striking "Interior" and all that follows through "Treasury," and inserting "Interior";

(2) by redesignating subsection (c) as subsection (b)(3);

(3) in subsection (b)(3) (as redesignated)—

(A) by striking "or to officers and members of the United States Secret Service Uniformed Division"; and

(B) by striking "subsection (b) of this section" and inserting "this subsection"; and

(4) by adding after subsection (b) the following new subsection:

"(c)(1) The annual rates of basic compensation of officers and members of the United States Secret Service Uniformed Division, serving in classes corresponding or similar to those in the salary schedule in section 101 (District of Columbia Code, section 4–406), shall be fixed in accordance with the following schedule of rates:

"SALARY SCHEDULE

Salary class and title	Service steps								
	1	2	3	4	5	6	7	8	9
Class 1: Private	29,215	30,088	31,559	33,009	35,331	37,681	39,128	40,593	42,052
Class 4: Sergeant	39,769	41,747	43,728	45,718	47,715	49,713			
Class 5: Lieutenant	45,148	47,411	49,663	51,924	54,180				
Class 7: Captain	52,523	55,155	57,788	60,388					
Class 8: Inspector	60,886	63,918	66,977	70,029					
Class 9: Deputy Chief	71,433	76,260	81,113	85,950					

"SALARY SCHEDULE

Salary class and title	Service steps								
	1	2	3	4	5	6	7	8	9
Class 10: Assistant Chief	84,694	90,324	95,967						
Class 11: Chief of the United States Secret Service Uniformed Division	98,383	104,923							

"(2) Effective at the beginning of the first applicable pay period commencing on or after the first day of the month in which an adjustment takes effect under section 5303 of title 5, United States Code (or any subsequent similar provision of law), in the rates of pay under the General Schedule (or any pay system that may supersede such schedule), the annual rates of basic compensation of officers and members of the United States Secret Service Uniformed Division shall be adjusted by the Secretary of the Treasury by an amount equal to the percentage of such annual rate of pay which corresponds to the overall percentage of the adjustment made in the rates of pay under the General Schedule.

"(3) Locality-based comparability payments authorized under section 5304 of title 5, United States Code, shall be applicable to the basic pay under this section, except locality-based comparability payments may not be paid at a rate which, when added to the rate of basic pay otherwise payable to the officer or member, would cause the total to exceed the rate of basic pay payable for level IV of the Executive Schedule.

"(4) Basic pay, and any locality pay combined with basic pay may not be paid by reason of any provision of this subsection (disregarding any locality-based comparability payment payable under Federal law) at a rate in excess of the rate of basic pay payable for level V of the Executive Schedule contained in subchapter II of chapter 53 of title 5, United States Code.

"(5) Any reference in any law to the salary schedule in section 101 (District of Columbia Code, section 4–406) with respect to officers and members of the United States Secret Service Uniformed Division shall be considered to be a reference to the salary schedule in paragraph (1) of this subsection as adjusted in accordance with this subsection.

"(6)(A) Except as otherwise permitted by or under law, no allowance, differential, bonus, award, or other similar cash payment under this title or under title 5, United States Code, may be paid to an officer or member of the United States Secret Service Uniformed Division in a calendar year if, or to the extent that, when added to the total basic pay paid or payable to such officer or member for service performed in such calendar year as an officer or member, such payment would cause the total to exceed the annual rate of basic pay payable for level I of the Executive Schedule, as of the end of such calendar year.

"(B) This paragraph shall not apply to any payment under the following provisions of title 5, United States Code:

"(i) Subchapter III or VII of chapter 55, or section 5596.

"(ii) Chapter 57 (other than section 5753, 5754, or 5755).

"(iii) Chapter 59 (other than section 5928).

"(7)(A) Any amount which is not paid to an officer or member of the United States Secret Service Uniformed Division in a calendar year because of the limitation under paragraph (6) shall be paid to such officer or member in a lump sum at the beginning of the following calendar year.

"(B) Any amount paid under this paragraph in a calendar year shall be taken into account for purposes of applying the limitations under paragraph (6) with respect to such calendar year.

"(8) The Office of Personnel Management shall prescribe regulations as may be necessary (consistent with section 5582 of title 5, United States Code) concerning how a lump-sum payment under paragraph (7) shall be made with respect to any employee who dies before an amount payable to such employee under paragraph (7) is made.".

(b) CONVERSION TO NEW SALARY SCHEDULE.—

(1)(A) Effective on the first day of the first pay period beginning after the date of enactment of this section, the Secretary of the Treasury shall fix the rates of basic pay for members of the United States Secret Service Uniformed Division in accordance with this paragraph.

(B) Subject to subparagraph (C), each officer and member receiving basic compensation, immediately prior to the effective date of this section, at one of the scheduled rates in the salary schedule in section 101 of the District of Columbia Police and Firemen's Salary Act of 1958, as adjusted by law and as in effect prior to the effective date of this section, shall be placed in and receive basic compensation at the corresponding scheduled service step of the salary schedule under subsection (a)(4).

(C)(i) The Assistant Chief and the Chief of the United States Secret Service Uniformed Division shall be placed in and receive basic compensation in salary class 10 and salary class 11, respectively, in the appropriate service step in the new salary class in accordance with section 304 of the District of Columbia Police and Firemen's Salary Act 1958 (District of Columbia Code, section 4–413).

(ii) Each member whose position is to be converted to the salary schedule under section 501(c) of the District of Columbia Police and Firemen's Salary Act of 1958 (District of Columbia Code, section 4–416(c)) as amended by this section, in accordance with subsection (a) of this section, and who, prior to the effective date of this section has earned, but has not been credited with, an increase in his or her rate of pay shall be afforded that increase before such member is placed in the corresponding service step in the salary schedule under section 501(c).

(2) Except in the cases of the Assistant Chief and the Chief of the United States Secret Service Uniformed Division, the conversion of positions and individuals to appropriate classes of the salary schedule under section 501(c) of the District of Columbia Police and Firemen's Salary Act of 1958 (District of Columbia Code, section 4–416(c)) as amended by this section, and the initial adjustments of rates of basic pay of those positions and individuals, in accordance with paragraph (1) of this subsection, shall not be considered to be transfers or promotions within the meaning of section 304 of the District of Columbia Police and Firemen's Salary Act of 1958 (District of Columbia Code, section 4–413).

(3) Each member whose position is converted to the salary schedule under section 501(c) of the District of Columbia Police and Firemen's Salary Act of 1958 (District of Columbia Code, section 4–416(c)) as amended by this section, in accordance with subsection (a) of this section, shall be granted credit for purposes of such member's first service step adjustment under the salary schedule in such section 510(c) for all satisfactory service performed by the member since the member's last increase in basic pay prior to the adjustment under that section.

(c) LIMITATION ON PAY PERIOD EARNINGS.—The Act of August 15, 1950 (64 Stat. 477), (District of Columbia Code, section 4–1104), is amended—

(1) in subsection (h), by striking "any officer or member" each place it appears and inserting "an officer or member of the Metropolitan Police force, of the Fire Department of the District of Columbia, or of the United States Park Police";

(2) by redesignating subsection (h)(3) as subsection (i); and

(3) by inserting after paragraph (2) the following new paragraph:

"(3)(A) no premium pay provided by this section shall be paid to, and no compensatory time is authorized for, any officer or member of the United States Secret Service Uniformed Division whose rate of basic pay, combined with any applicable locality-based comparability payment, equals or exceeds the lesser of—

"(i) 150 percent of the minimum rate payable for grade GS–15 of the General Schedule (including any applicable locality-based comparability payment under section 5304 of title 5, United States Code or any similar provision of law, and any applicable special rate of pay under section 5305 of title 5, United States Code or any similar provision of law); or

"(ii) the rate payable for level V of the Executive Schedule contained in subchapter II of chapter 53 of title 5, United States Code.

"(B) In the case of any officer or member of the United States Secret Service Uniformed Division whose rate of basic pay, combined with any applicable locality-based comparability payment, is less than the lesser of—

"(i) 150 percent of the minimum rate payable for grade GS–15 of the General Schedule (including any applicable locality-based comparability payment under section 5304 of title 5, United States Code or any similar provision of law, and any applicable special rate of pay under section 5305 of title 5, United States Code or any similar provision of law); or

"(ii) the rate payable for level V of the Executive Schedule contained in subchapter II of chapter 53 of title 5, United States Code,

such premium pay may be paid only to the extent that such payment would not cause such officer or member's aggregate rate of compensation to exceed such lesser amount with respect to any pay period.".

(d) SAVINGS PROVISION.—On the effective date of this section, any existing special salary rates authorized for members of the United States Secret Service Uniformed Division under section 5305 of title 5, United States Code (or any previous similar provision of law) and any special rates of pay or special pay adjustments under section 403, 404, or 405 of the Federal Law Enforcement Pay Reform Act of 1990 applicable to members of the United States Secret Service Uniformed Division shall be rendered inapplicable.

(e) CONFORMING AMENDMENT.—The Federal Law Enforcement Pay Reform Act of 1990 (104 Stat. 1466) is amended by striking subsections (b)(1) and (c)(1) of section 405.

(f) EFFECTIVE DATE.—The provisions of this section shall become effective on the first day of the first pay period beginning after the date of enactment of this Act.

SEC. 119. Section 117 of the Treasury, Postal Service, and General Government Appropriations Act, 1997 (as contained in section 101(f) of division A of Public Law 104–208) is hereby repealed.

SEC. 120. Based on results of industry response to the Request for Proposals, in tax-year 1998, the Internal Revenue Service (IRS) shall initiate a pilot project which would pay qualified returns preparers, electronic return originators, or transmitters who electronically forward and file tax returns (form 1040 and related information returns) properly formatted and accepted by the Internal Revenue Service, up to $3.00 per return so filed if such payments are determined by the Commissioner of the IRS to be in the best interest of the government: Provided, That the payment may not be made unless the electronic filing service is provided without charge to the taxpayer whose return is so filed: Provided further, That the IRS shall use standard procurement processes to establish this pilot project and through these processes, IRS shall assure the security of all electronic transmissions and the full protection of the privacy of taxpayer data.

SEC. 121. Subsection (a) of section 5378, title 5 U.S.C., is amended to read as follows:

"(a) The Secretary of the Department of the Treasury, or his designee, in his sole discretion shall fix the rates of basic pay for positions within the police forces of the United States Mint and the Bureau of Engraving and Printing without regard to the pay provisions of title 5, United States Code, except that no entry-level police officer shall receive basic pay for a calendar year that is less than the basic rate of pay for General Schedule GS–7 and no executive security official shall receive basic compensation for a calendar year that exceeds the basic rate of pay for General Schedule GS–15.".

SEC. 122. (a) The Secretary of the Treasury is authorized to receive all unavailable collections transferred from the Special Forfeiture Fund established by section 26073 of the Anti-drug Abuse Act of 1988 (21 U.S.C. Section 1509) by the Director of the Office of Drug Control Policy as a deposit into the Treasury Forfeiture Fund (31 U.S.C. Section 9703(a)), to become available for obligation on October 1, 1998, as revenue available for purposes identified under 31 U.S.C. Section 9703(g)(4)(B).

(b) Paragraph (3)(C) of section 9703(g) of title 31, United States Code, is amended by adding after the last sentence of that paragraph as amended by Public Law 104–208, the following sentence: "Unobligated balances remaining pursuant to section 4(B) of 9703(g) shall also be carried forward.".

(c) Paragraph (4)(B) of section 9703(g) of title 31, United States Code, is amended by striking ", subject to subparagraph (C)," from the first and only sentence of that paragraph.

SEC. 123. Notwithstanding any other provision of law, the Secretary of the Treasury shall establish the port of Kodiak, Alaska as a port of entry and United States Customs Service personnel in Anchorage, Alaska shall serve such port of entry. There are authorized to be appropriated such sums as necessary to cover the costs associated with the performance of customs functions using such United States Customs Service personnel.

SEC. 124. None of the funds made available by this Act may be used by the Inspector General to contract for advisory and assistance services that has the meaning given such term in section 1105(g) of title 31, United States Code.

This title may be cited as the "Treasury Department Appropriations Act, 1998".

TITLE II—POSTAL SERVICE

PAYMENTS TO THE POSTAL SERVICE FUND

PAYMENT TO THE POSTAL SERVICE FUND

For payment to the Postal Service Fund for revenue forgone on free and reduced rate mail, pursuant to subsections (c) and (d) of section 2401 of title 39, United States Code, $86,274,000: Provided, That mail for overseas voting and mail for the blind shall continue to be free: Provided further, That 6-day delivery and rural delivery of mail shall continue at not less than the 1983 level: Provided further, That none of the funds made available to the Postal Service by this Act shall be used to implement any rule, regulation, or policy of charging any officer or employee of any State or local child support enforcement agency, or any individual participating in a State or local program of child support enforcement, a fee for information requested or provided concerning an address of a postal customer: Provided further, That none of the funds provided in this Act shall be used to consolidate or close small rural and other small post offices in the fiscal year ending on September 30, 1998.

This title may be cited as the "Postal Service Appropriations Act, 1998".

TITLE III—EXECUTIVE OFFICE OF THE PRESIDENT AND FUNDS APPROPRIATED TO THE PRESIDENT

COMPENSATION OF THE PRESIDENT AND THE WHITE HOUSE OFFICE

COMPENSATION OF THE PRESIDENT

For compensation of the President, including an expense allowance at the rate of $50,000 per annum as authorized by 3 U.S.C. 102; $250,000: Provided, That none of the funds made available for official expenses shall be expended for any other purpose and any unused amount shall revert to the Treasury pursuant to section 1552 of title 31, United States Code: Provided further, That none of the funds made available for official expenses shall be considered as taxable to the President.

SALARIES AND EXPENSES

For necessary expenses for the White House as authorized by law, including not to exceed $3,850,000 for services as authorized by 5 U.S.C. 3109 and 3 U.S.C. 105; including subsistence expenses as authorized by 3 U.S.C. 105, which shall be expended and accounted for as provided in that section; hire of passenger motor vehicles, newspapers, periodicals, teletype news service, and travel (not to exceed $100,000 to be expended and accounted for as provided by 3 U.S.C. 103); not to exceed $19,000 for official entertainment expenses, to be available for allocation within the Executive Office of the President; $51,199,000: Provided, That $9,800,000 of the funds appropriated shall be available for reimbursements to the White House Communications Agency.

EXECUTIVE RESIDENCE AT THE WHITE HOUSE

OPERATING EXPENSES

For the care, maintenance, repair and alteration, refurnishing, improvement, heating and lighting, including electric power and fixtures, of the Executive Residence at the White House and official entertainment expenses of the President, $8,045,000, to be expended and accounted for as provided by 3 U.S.C. 105, 109–110, 112–114.

REIMBURSABLE EXPENSES

For the reimbursable expenses of the Executive Residence at the White House, such sums as may be necessary: Provided, That all reimbursable operating expenses of the Executive Residence shall be made in accordance with the provisions of this paragraph: Provided further, That, notwithstanding any other provision of law, such amount for reimbursable operating expenses shall be the exclusive authority of the Executive Residence to incur obligations and to receive offsetting collections, for such expenses: Provided further, That the Executive Residence shall require each person sponsoring a reimbursable political event to pay in advance an amount equal to the estimated cost of the event, and all such advance payments shall be credited to this account and remain available until expended: Provided further, That the Executive Residence shall require the national committee of the political party of the President to maintain on deposit $25,000, to be separately accounted for and available for expenses relating to reimbursable political events sponsored by such committee during such fiscal year: Provided further, That the Executive Residence shall ensure that a written notice of any amount owed for a reimbursable operating expense under this paragraph is submitted to the person owing such amount within 60 days after such expense is incurred, and that such amount is collected within 30 days after the submission of such notice: Provided further, That the Executive Residence shall charge interest and assess penalties and other charges on any such amount that is not reimbursed within such 30 days, in accordance with the interest and penalty provisions applicable to an outstanding debt on a United States Government claim under section 3717 of title 31, United States Code: Provided further, That each such amount that is reimbursed, and any accompanying interest and charges, shall be deposited in the Treasury as miscellaneous receipts: Provided further, That the Executive Residence shall prepare and submit to the Committees on Appropriations, by not later than 90 days after the end of the fiscal year covered by this Act, a report setting forth the reimbursable operating expenses of the Executive Residence during the preceding fiscal year, including the total amount of such expenses, the amount of such total that consists of reimbursable official and ceremonial events, the amount of such total that consists of reimbursable political events, and the portion of each such amount that has been reimbursed as of the date of the report: Provided further, That the Executive Residence shall (1) implement a system for the tracking of expenses related to reimbursable events within the Executive Residence that includes a standard for the classification of any such expense as political or nonpolitical; and (2) prepare and submit to the Committees on Appropriations, by not later than December 1, 1997, a report setting forth a detailed description of such system and a schedule for its implementation: Provided further, That no provision of this paragraph may be construed to exempt the Executive Residence from any other applicable requirement of subchapter I or II of chapter 37 of title 31, United States Code.

WHITE HOUSE REPAIR AND RESTORATION

For the repair, alteration, and improvement of the Executive Residence at the White House, $200,000, to remain available until expended for renovation and relocation of the White House laundry, to be expended and accounted for as provided by 3 U.S.C. 105, 109–110, 112–114.

SPECIAL ASSISTANCE TO THE PRESIDENT AND THE OFFICIAL RESIDENCE OF THE VICE PRESIDENT

SALARIES AND EXPENSES

For necessary expenses to enable the Vice President to provide assistance to the President in connection with specially assigned functions, services as authorized by 5 U.S.C. 3109 and 3 U.S.C. 106, including subsistence expenses as authorized by 3 U.S.C. 106, which shall be expended and accounted for as provided in that section; and hire of passenger motor vehicles; $3,378,000.

OPERATING EXPENSES

For the care, operation, refurnishing, improvement, heating and lighting, including electric power and fixtures, of the official residence of the Vice President, the hire of passenger motor vehicles, and not to exceed $90,000 for official entertainment expenses of the Vice President, to be accounted for solely on his certificate; $334,000: Provided, That advances or repayments or transfers from this appropriation may be made to any department or agency for expenses of carrying out such activities.

COUNCIL OF ECONOMIC ADVISERS

SALARIES AND EXPENSES

For necessary expenses of the Council in carrying out its functions under the Employment Act of 1946 (15 U.S.C. 1021), $3,542,000.

OFFICE OF POLICY DEVELOPMENT

SALARIES AND EXPENSES

For necessary expenses of the Office of Policy Development, including services as authorized by 5 U.S.C. 3109, and 3 U.S.C. 107; $3,983,000.

NATIONAL SECURITY COUNCIL

SALARIES AND EXPENSES

For necessary expenses of the National Security Council, including services as authorized by 5 U.S.C. 3109, $6,648,000.

OFFICE OF ADMINISTRATION

SALARIES AND EXPENSES

For necessary expenses of the Office of Administration, including services as authorized by 5 U.S.C. 3109 and 3 U.S.C. 107, and hire of passenger motor vehicles $28,883,000, of which $2,000,000 shall remain available until expended for a capital investment plan which provides for the modernization of the information technology infrastructure.

OFFICE OF MANAGEMENT AND BUDGET

SALARIES AND EXPENSES

For necessary expenses of the Office of Management and Budget, including hire of passenger motor vehicles, services as authorized by 5 U.S.C. 3109, $57,440,000, of which not to exceed $5,000,000 shall be available to carry out the provisions of 44 U.S.C. chapter 35: Provided, That, as provided in 31 U.S.C. 1301(a), appropriations shall be applied only to the objects for which appropriations were made except as otherwise provided by law: Provided further, That none of the funds appropriated in this Act for the Office of Management and Budget may be used for the purpose of reviewing any agricultural marketing orders or any activities or regulations under the provisions of the Agricultural Marketing Agreement Act of 1937 (7 U.S.C. 601 et seq.): Provided further, That none of the funds made available for the Office of Management and Budget by this Act may be expended for the altering of the transcript of actual testimony of witnesses, except for testimony of officials of the Office of Management and Budget, before the House and Senate Committees on Appropriations or the House and Senate Committees on Veterans' Affairs or their subcommittees: Provided further, That this proviso shall not apply to printed hearings released by the House and Senate Committees on Appropriations or the House and Senate Committees on Veterans' Affairs.

OFFICE OF NATIONAL DRUG CONTROL POLICY

SALARIES AND EXPENSES

(INCLUDING TRANSFER OF FUNDS)

For necessary expenses of the Office of National Drug Control Policy; for research activities pursuant to title I of Public Law 100-690; not to exceed $8,000 for official reception and representation expenses; and for participation in joint projects or in the provision of services on matters of mutual interest with nonprofit, research, or public organizations or agencies, with or without reimbursement; $35,016,000, of which $17,000,000 shall remain available until expended, consisting of $1,000,000 for policy research and evaluation and $16,000,000 for the Counterdrug Technology Assessment Center for counternarcotics research and development projects: Provided, That the $16,000,000 for the Counterdrug Technology Assessment Center shall be available for transfer to other Federal departments or agencies: Provided further, That the Office is authorized to accept, hold, administer, and utilize gifts, both real and personal, for the purpose of aiding or facilitating the work of the Office: Provided further, That not before December 31, 1997, the Director of the Office of National Drug Control Policy shall transfer all balances in the Special Forfeiture Fund established by section 6073 of the Anti-drug Abuse Act of 1988 (21 U.S.C. section 1509) to the Treasury Forfeiture Fund (31 U.S.C. section 9703(a)).

FEDERAL DRUG CONTROL PROGRAMS

HIGH INTENSITY DRUG TRAFFICKING AREAS PROGRAM

(INCLUDING TRANSFER OF FUNDS)

For necessary expenses of the Office of National Drug Control Policy's High Intensity Drug Trafficking Areas Program, $159,007,000 for drug control activities consistent with the approved strategy for each of the designated High Intensity Drug Trafficking Areas, of which $3,000,000 shall be used for a newly designated High Intensity Drug Trafficking Area in Milwaukee, Wisconsin should the Director of the Office of National Drug Control Policy determine the location meets the designated criteria; of which $7,300,000 shall be used for national efforts related to methamphetamine reduction; of which $1,500,000 shall be used for methamphetamine reduction efforts within the Rocky Mountain High Intensity Drug Trafficking Area; of which $6,000,000 shall be used for a newly designated High Intensity Drug Trafficking Area in the three State area of Kentucky, Tennessee, and West Virginia; of which $1,000,000 shall be used for a newly designated High Intensity Drug Trafficking Area in central Florida; of which no less than $80,000,000 shall be transferred to State and local entities for drug control activities, which shall be obligated within 120 days of the date of enactment of this Act and up to $79,007,000 may be transferred to Federal agencies and departments at a rate to be determined by the Director: Provided, That funding shall be provided for existing High Intensity Drug Trafficking Areas at no less than the fiscal year 1997 level.

SPECIAL FORFEITURE FUND

(INCLUDING TRANSFER OF FUNDS)

For activities to support a national anti-drug campaign for youth, and other purposes, authorized by Public Law 100-690, as amended, $211,000,000, to remain available until expended: Provided, That such funds may be transferred to other Federal departments and agencies to carry out such activities: Provided further, That of the funds provided, $195,000,000 shall be to support a national media campaign to reduce and prevent drug use among young Americans: Provided further, That none of the funds provided for the support of a national media campaign may be obligated until the Director, Office of National Drug Control Policy, submits a strategy for approval to the Committees on Appropriations and the Senate Judiciary Committee that includes: (1) guidelines to ensure and certify that funds will supplement and not supplant current anti-drug community based coalitions; (2) guidelines to ensure and certify that funds will supplement and not supplant current pro-bono public service time donated by national and local broadcasting networks; (3) guidelines to ensure and certify that none of the funds will be used for partisan political purposes; (4) guidelines to ensure and certify that no media campaigns to be funded pursuant to this campaign shall feature any elected officials, persons seeking elected office, cabinet-level officials, or other Federal officials employed pursuant to Schedule C of title 5, Code of Federal Regulations, section 213, absent advance notice to the Committees on Appropriations and the Senate Judiciary Committee; (5) a detailed implementation plan to be submitted to the Committees on Appropriations and the Senate Judiciary Committee for securing private sector contributions including but not limited to in-kind contributions; (6) a detailed implementation plan to be submitted to the Committees on Appropriations and the Senate Judiciary Committee of the qualifications necessary for any organization, entity, or individual to receive funding for or otherwise be provided broadcast media time; and (7) a system to measure outcomes of success of the national media campaign: Provided further, That the Director shall report to Congress quarterly on the obligation of funds as well as the specific parameters of the national media campaign and report to Congress within two years on the effectiveness of the national media campaign based upon the measurable outcomes provided to Congress previously: Provided further, That of the funds provided for the support of a national media campaign, $17,000,000 shall not be obligated prior to September 30, 1998: Provided further, That of the funds provided, $6,000,000 shall be used to continue the drug use reduction program for those involved in the criminal justice system: Provided further, That of the funds provided, $10,000,000 shall be to initiate a program of matching grants to drug-free communities, as authorized in the Drug-Free Communities Act of 1997.

This title may be cited as the "Executive Office Appropriations Act, 1998".

TITLE IV—INDEPENDENT AGENCIES

COMMITTEE FOR PURCHASE FROM PEOPLE WHO ARE BLIND OR SEVERELY DISABLED

SALARIES AND EXPENSES

For necessary expenses of the Committee for Purchase From People Who Are Blind or Severely Disabled established by the Act of June 23, 1971, Public Law 92-28, $1,940,000.

FEDERAL ELECTION COMMISSION

SALARIES AND EXPENSES

(INCLUDING TRANSFER OF FUNDS)

For necessary expenses to carry out the provisions of the Federal Election Campaign Act of 1971, as amended, $31,650,000, of which no less than $3,800,000 shall be available for internal automated data processing systems, and of which not to exceed $5,000 shall be available for reception and representation expenses: Provided, That of the amounts appropriated for salaries and expenses, $750,000 shall be transferred to the General Accounting Office for the sole purpose of entering into a contract with the private sector for a management review, and technology and performance audit, of the Federal Election Commission, and $300,000 may be transferred to the Government Printing Office.

FEDERAL LABOR RELATIONS AUTHORITY

SALARIES AND EXPENSES

For necessary expenses to carry out functions of the Federal Labor Relations Authority, pursuant to Reorganization Plan Numbered 2 of 1978, and the Civil Service Reform Act of 1978, including services as authorized by 5 U.S.C. 3109, including hire of experts and consultants, hire of passenger motor vehicles, rental of conference rooms in the District of Columbia and elsewhere; $22,039,000: Provided, That public members of the Federal Service Impasses Panel may be paid travel expenses and per diem in lieu of subsistence as authorized by law (5 U.S.C.

5703) for persons employed intermittently in the Government service, and compensation as authorized by 5 U.S.C. 3109: Provided further, That notwithstanding 31 U.S.C. 3302, funds received from fees charged to non-Federal participants at labor-management relations conferences shall be credited to and merged with this account, to be available without further appropriation for the costs of carrying out these conferences.

GENERAL SERVICES ADMINISTRATION

FEDERAL BUILDINGS FUND

LIMITATIONS ON AVAILABILITY OF REVENUE

To carry out the purpose of the Fund established pursuant to section 210(f) of the Federal Property and Administrative Services Act of 1949, as amended (40 U.S.C. 490(f)), the revenues and collections deposited into the Fund shall be available for necessary expenses of real property management and related activities not otherwise provided for, including operation, maintenance, and protection of federally owned and leased buildings; rental of buildings in the District of Columbia; restoration of leased premises; moving governmental agencies (including space adjustments and telecommunications relocation expenses) in connection with the assignment, allocation and transfer of space; contractual services incident to cleaning or servicing buildings, and moving; repair and alteration of federally owned buildings including grounds, approaches and appurtenances; care and safeguarding of sites; maintenance, preservation, demolition, and equipment; acquisition of buildings and sites by purchase, condemnation, or as otherwise authorized by law; acquisition of options to purchase buildings and sites; conversion and extension of federally owned buildings; preliminary planning and design of projects by contract or otherwise; construction of new buildings (including equipment for such buildings); and payment of principal, interest, and any other obligations for public buildings acquired by installment purchase and purchase contract, in the aggregate amount of $4,835,934,000, of which (1) $300,000,000 shall remain available until expended, for repairs and alterations which includes associated design and construction services: Provided, That additional projects for which prospectuses have been fully approved may be funded under this category only if advance approval is obtained from the Committees on Appropriations of the House and Senate: Provided further, That the amounts provided in this or any prior Act for Repairs and Alterations may be used to fund costs associated with implementing security improvements to buildings necessary to meet the minimum standards for security in accordance with current law and in compliance with the reprogramming guidelines of the appropriate Committees of the House and Senate: Provided further, That funds made available in this Act or any previous Act for Repairs and Alterations shall, for prospectus projects, be limited to the amount originally made available, except each project may be increased by an amount not to exceed 10 percent when advance approval is obtained from the Committees on Appropriations of the House and Senate of a greater amount: Provided further, That the difference between the funds appropriated and expended on any projects in this or any prior Act, under the heading "Repairs and Alterations", may be transferred to Basic Repairs and Alterations or used to fund authorized increases in prospectus projects: Provided further, That all funds for repairs and alterations prospectus projects shall expire on September 30, 2000 and remain in the Federal Building Fund except funds for projects as to which funds for design or other funds have been obligated in whole or in part prior to such date: Provided further, That the amount provided in this or any prior Act for Basic Repairs and Alterations may be used to pay claims against the Government arising from any projects under the heading "Repairs and Alterations" or used to fund authorized increases in prospectus projects; (2) $142,542,000 for installment acquisition payments including payments on purchase contracts which shall remain available until expended; (3) $2,275,340,000 for rental of space which shall remain available until expended; (4) $1,331,789,000 for building operations which shall remain available until expended; and (5) $680,543,000 which shall remain available until expended for projects and activities previously requested and approved under this heading in prior fiscal years: Provided further, That for the purposes of this authorization, and hereafter, buildings constructed pursuant to the purchase contract authority of the Public Buildings Amendments of 1972 (40 U.S.C. 602a), buildings occupied pursuant to installment purchase contracts, and buildings under the control of another department or agency where alterations of such buildings are required in connection with the moving of such other department or agency from buildings then, or thereafter to be, under the control of the General Services Administration shall be considered to be federally owned buildings: Provided further, That funds available in the Federal Buildings Fund may be expended for emergency repairs when advance approval is obtained from the Committees on Appropriations of the House and Senate: Provided further, That amounts necessary to provide reimbursable special services to other agencies under section 210(f)(6) of the Federal Property and Administrative Services Act of 1949, as amended (40 U.S.C. 490(f)(6)) and amounts to provide such reimbursable fencing, lighting, guard booths, and other facilities on private or other property not in Government ownership or control as may be appropriate to enable the United States Secret Service to perform its protective functions pursuant to 18 U.S.C. 3056, as amended, shall be available from such revenues and collections: Provided further, That revenues and collections and any other sums accruing to this Fund during fiscal year 1998, excluding reimbursements under section 210(f)(6) of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 490(f)(6)) in excess of $4,835,934,000 shall remain in the Fund and shall not be available for expenditure except as authorized in appropriations Acts.

POLICY AND OPERATIONS

For expenses authorized by law, not otherwise provided for, for Government-wide policy and oversight activities associated with asset management activities; utilization and donation of surplus personal property; transportation; procurement and supply; Government-wide and internal responsibilities relating to automated data management, telecommunications, information resources management, and related technology activities; utilization survey, deed compliance inspection, appraisal, environmental and cultural analysis, and land use planning functions pertaining to excess and surplus real property; agency-wide policy direction; Board of Contract Appeals; accounting, records management, and other support services incident to adjudication of Indian Tribal Claims by the United States Court of Federal Claims; services as authorized by 5 U.S.C. 3109; and not to exceed $5,000 for official reception and representation expenses; $107,487,000.

OFFICE OF INSPECTOR GENERAL

For necessary expenses of the Office of Inspector General and services authorized by 5 U.S.C. 3109, $33,870,000: Provided, That not to exceed $10,000 shall be available for payment for information and detection of fraud against the Government, including payment for recovery of stolen Government property: Provided further, That not to exceed $2,500 shall be available for awards to employees of other Federal agencies and private citizens in recognition of efforts and initiatives resulting in enhanced Office of Inspector General effectiveness.

ALLOWANCES AND OFFICE STAFF FOR FORMER PRESIDENTS

For carrying out the provisions of the Act of August 25, 1958, as amended (3 U.S.C. 102 note), and Public Law 95–138, $2,208,000: Provided, That the Administrator of General Services shall transfer to the Secretary of the Treasury such sums as may be necessary to carry out the provisions of such Acts.

GENERAL PROVISIONS—GENERAL SERVICES ADMINISTRATION

SEC. 401. The appropriate appropriation or fund available to the General Services Administration shall be credited with the cost of operation, protection, maintenance, upkeep, repair, and improvement, included as part of rentals received from Government corporations pursuant to law (40 U.S.C. 129).

SEC. 402. Funds available to the General Services Administration shall be available for the hire of passenger motor vehicles.

SEC. 403. Funds in the Federal Buildings Fund made available for fiscal year 1998 for Federal Buildings Fund activities may be transferred between such activities only to the extent necessary to meet program requirements: Provided, That any proposed transfers shall be approved in advance by the Committees on Appropriations of the House and Senate.

SEC. 404. No funds made available by this Act shall be used to transmit a fiscal year 1999 request for United States Courthouse construction that (1) does not meet the design guide standards for construction as established and approved by the General Services Administration, the Judicial Conference of the United States, and the Office of Management and Budget; and (2) does not reflect the priorities of the Judicial Conference of the United States as set out in its approved 5-year construction plan: Provided, That the fiscal year 1999 request must be accompanied by a standardized courtroom utilization study of each facility to be constructed, replaced, or expanded.

SEC. 405. None of the funds provided in this Act may be used to increase the amount of occupiable square feet, provide cleaning services, security enhancements, or any other service usually provided through the Federal Buildings Fund, to any agency which does not pay the rate per square foot assessment for space and services as determined by the General Services Administration in compliance with the Public Buildings Amendments Act of 1972 (Public Law 92–313).

SEC. 406. Section 10 of the General Services Administration General Provisions, Public Law 100–440, is hereby repealed.

SEC. 407. Funds provided to other Government agencies by the Information Technology Fund, GSA, under 40 U.S.C. 757 and sections 5124(b) and 5128 of Public Law 104–106, Information Technology Management Reform Act of 1996, for performance of pilot information technology projects which have potential for Government-wide benefits and savings, may be repaid to this Fund from any savings actually incurred by these projects or other funding, to the extent feasible.

SEC. 408. The Administrator of the General Services Administration is directed to ensure that the materials used for the facade on the United States Courthouse Annex, Savannah, Georgia project are compatible with the existing Savannah Federal Building-U.S. Courthouse facade, in order to ensure compatibility of this new facility with the Savannah historic district and to ensure that the Annex will not endanger the National Landmark status of the Savannah historic district.

SEC. 409. (a) The Act approved August 25, 1958, as amended (Public Law 85–745; 3 U.S.C. 102 note), is amended by striking section 2.

(b) Section 3214 of title 39, United States Code, is amended—

(1) in subsection (a) by striking "(a) Subject to subsection (b), a" and inserting "A"; and

(2) by striking subsection (b).

SEC. 410. There is hereby appropriated to the General Services Administration such sums as may be necessary to repay debts to the United States Treasury incurred pursuant to section 6 of the Pennsylvania Avenue Development Corporation Act of 1972, as amended (Public Law 92–578, 86 Stat. 1266, 40 U.S.C. 875), and in addition such amounts as are necessary for payment of interest and premiums, if any, related to such debts.

SEC. 411. From funds made available under the heading "Federal Buildings Fund Limitations on Revenue," claims against the Government of less than $250,000 arising from direct construction projects and acquisition of buildings may be liquidated from savings effected in other construction projects with prior notification to the Committees on Appropriations of the House and Senate.

SEC. 412. (a) IN GENERAL.—Notwithstanding any other provision of law, the Administrator of General Services shall sell the property described in subsection (b) through a process of competitive bidding, in accordance with procedures and requirements applicable to such a sale under section 203(e) of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 484(e)).

(b) PROPERTY DESCRIBED.—The property referred to in subsection (a) is the property known as the Bakersfield Federal Building, located at 800 Truxton Avenue in Bakersfield, California, including the land on which the building is situated and all improvements to such building and land.

SEC. 413. Section 201(b) of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 481) as amended to read as follows:

"(b)(1) The Administrator shall as far as practicable provide any of the services specified in subsection (a) of this section to any other Federal agency, mixed ownership corporation (as defined in section 9101 of title 31, United States Code), or the District of Columbia, upon its request.

"(2)(A) Upon the request of a qualified nonprofit agency for the blind or other severely handicapped that is to provide a commodity or service to the Federal Government under the Javits-Wagner O'Day Act (41 U.S.C. 46 et seq.), the Administrator may provide any of the services specified in subsection (a) to such agency to the extent practicable.

"(B) A nonprofit agency receiving services under the authority of subparagraph (A) shall use the services directly in making or providing an approved commodity or approved service to the Federal Government.

"(C) In this paragraph—

"(i) The term 'qualified nonprofit agency for the blind or other severely handicapped' means—

"(I) a qualified nonprofit agency for the blind, as defined in section 5(3) of the Javits-Wagner O'Day Act (41 U.S.C. 48b(3)); and

"(II) a qualified nonprofit agency for other severely handicapped, as defined in section 5(4) of such Act (41 U.S.C. 48b(4)).

"(ii) The term 'approved commodity' and 'approved service' means a commodity and a service, respectively, that has been determined by the Committee for Purchase from the Blind and Other Severely Handicapped under section 2 of the Javits-Wagner O'Day Act (41 U.S.C. 47) to be suitable for procurement by the Federal Government.".

FEDERAL PAYMENT TO MORRIS K. UDALL SCHOLARSHIP AND EXCELLENCE IN NATIONAL ENVIRONMENTAL POLICY FOUNDATION

For payment to the Morris K. Udall Scholarship and Excellence in National Environmental Trust Fund, to be available for purposes of Public Law 102–259, $1,750,000, to remain available until expended.

JOHN F. KENNEDY ASSASSINATION RECORDS REVIEW BOARD

For the necessary expenses to carry out the John F. Kennedy Assassination Records Collection Act of 1992, $1,600,000: Provided, That $100,000 shall be available only for the purposes of the prompt and orderly termination of the John F. Kennedy Assassination Records Review Board, to be concluded no later than September 30, 1998.

MERIT SYSTEMS PROTECTION BOARD

SALARIES AND EXPENSES

(INCLUDING TRANSFER OF FUNDS)

For necessary expenses to carry out functions of the Merit Systems Protection Board pursuant to Reorganization Plan Numbered 2 of 1978 and the Civil Service Reform Act of 1978, including services as authorized by 5 U.S.C. 3109, rental of conference rooms in the District of Columbia and elsewhere, hire of passenger motor vehicles, and direct procurement of survey printing, $25,290,000, together with not to exceed $2,430,000 for administrative expenses to adjudicate retirement appeals to be transferred from the Civil Service Retirement and Disability Fund in amounts determined by the Merit Systems Protection Board.

NATIONAL ARCHIVES AND RECORDS ADMINISTRATION

OPERATING EXPENSES

For necessary expenses in connection with the administration of the National Archives (including the Information Security Oversight Office) and records and related activities, as provided by law, and for expenses necessary for the review and declassification of documents, and for the hire of passenger motor vehicles, $205,166,500: Provided, That the Archivist of the United States is authorized to use any excess funds available from the amount borrowed for construction of the National Archives facility, for expenses necessary to provide adequate storage for holdings.

ARCHIVES FACILITIES AND PRESIDENTIAL LIBRARIES REPAIRS AND RESTORATION

For the repair, alteration, and improvement of archives facilities and presidential libraries, and to provide adequate storage for holdings, $14,650,000, to remain available until expended.

NATIONAL HISTORICAL PUBLICATIONS AND RECORDS COMMISSION

GRANTS PROGRAM

For necessary expenses for allocations and grants for historical publications and records as authorized by 44 U.S.C. 2504, as amended. $5,500,000, to remain available until expended.

OFFICE OF GOVERNMENT ETHICS

SALARIES AND EXPENSES

For necessary expenses to carry out functions of the Office of Government Ethics pursuant to the Ethics in Government Act of 1978, as amended by Public Law 100–598, and the Ethics Reform Act of 1989, Public Law 101–194, including services as authorized by 5 U.S.C. 3109, rental of conference rooms in the District of Columbia and elsewhere, hire of passenger motor vehicles, and not to exceed $1,500 for official reception and representation expenses; $8,265,000.

OFFICE OF PERSONNEL MANAGEMENT

SALARIES AND EXPENSES

(INCLUDING TRANSFER OF TRUST FUNDS)

For necessary expenses to carry out functions of the Office of Personnel Management pursuant to Reorganization Plan Numbered 2 of 1978 and the Civil Service Reform Act of 1978, including services as authorized by 5 U.S.C. 3109; medical examinations performed for veterans by private physicians on a fee basis; rental of conference rooms in the District of Columbia and elsewhere; hire of passenger motor vehicles; not to exceed $2,500 for official reception and representation expenses; advances for reimbursements to applicable funds of the Office of Personnel Management and the Federal Bureau of Investigation for expenses incurred under Executive Order 10422 of January 9, 1953, as amended; and payment of per diem and/or subsistence allowances to employees where Voting Rights Act activities require an employee to remain overnight at his or her post of duty; $85,350,000; and in addition $91,236,000 for administrative expenses, to be transferred from the appropriate trust funds of the Office of Personnel Management without regard to other statutes, including direct procurement of printed materials, for the retirement and insurance programs: Provided, That the provisions of this appropriation shall not affect the authority to use applicable trust funds as provided by section 8348(a)(1)(B) of title 5, United States Code: Provided further, That, except as may be consistent with 5 U.S.C. 8902a(f)(1) and (i), no payment may be made from the Employees Health Benefits Fund to any physician, hospital, or other provider of health care services or supplies who is, at the time such services or supplies are provided to an individual covered under chapter 89 of title 5, United States Code, excluded, pursuant to section 1128 or 1128A of the Social Security Act (42 U.S.C. 1320a-7–1320a-7a), from participation in any program under title XVIII of the Social Security Act (42 U.S.C. 1395 et seq.): Provided further, That no part of this appropriation shall be available for salaries and expenses of the Legal Examining Unit of the Office of Personnel Management established pursuant to Executive Order 9358 of July 1, 1943, or any successor unit of like purpose: Provided further, That the President's Commission on White House Fellows, established by Executive Order 11183 of October 3, 1964, may, during the fiscal year ending September 30, 1998, accept donations of money, property, and personal services in connection with the development of a publicity brochure to provide information about the White House Fellows, except that no such donations shall be accepted for travel or reimbursement of travel expenses, or for the salaries of employees of such Commission.

OFFICE OF INSPECTOR GENERAL

SALARIES AND EXPENSES

(INCLUDING TRANSFER OF TRUST FUNDS)

For necessary expenses of the Office of Inspector General in carrying out the provisions of the Inspector General Act, as amended, including services as authorized by 5 U.S.C. 3109, hire of passenger motor vehicles, $960,000; and in addition, not to exceed $8,645,000 for administrative expenses to audit the Office of Personnel Management's retirement and insurance programs, to be transferred from the appropriate trust funds of the Office of Personnel Management, as determined by the Inspector General: Provided, That the Inspector General is authorized to rent conference rooms in the District of Columbia and elsewhere.

GOVERNMENT PAYMENT FOR ANNUITANTS, EMPLOYEES HEALTH BENEFITS

For payment of Government contributions with respect to retired employees, as authorized by chapter 89 of title 5, United States Code, and the Retired Federal Employees Health Benefits Act (74 Stat. 849), as amended, such sums as may be necessary.

GOVERNMENT PAYMENT FOR ANNUITANTS, EMPLOYEE LIFE INSURANCE

For payment of Government contributions with respect to employees retiring after December 31, 1989, as required by chapter 87 of title 5, United States Code, such sums as may be necessary.

PAYMENT TO CIVIL SERVICE RETIREMENT AND DISABILITY FUND

For financing the unfunded liability of new and increased annuity benefits becoming effective on or after October 20, 1969, as authorized by 5 U.S.C. 8348, and annuities under special Acts to be credited to the Civil Service Retirement and Disability Fund, such sums as may be necessary: Provided, That annuities authorized by the Act of May 29, 1944, as amended, and the Act of August 19, 1950, as amended (33 U.S.C. 771–75), may hereafter be paid out of the Civil Service Retirement and Disability Fund.

OFFICE OF SPECIAL COUNSEL

SALARIES AND EXPENSES

For necessary expenses to carry out functions of the Office of Special Counsel pursuant to Reorganization Plan Numbered 2 of 1978, the Civil Service Reform Act of 1978 (Public Law 95–454), the Whistleblower Protection Act of 1989 (Public Law 101–12), Public Law 103–424, and the Uniformed Services Employment and Reemployment Act of 1994 (Public Law 103–353), including services as authorized by 5 U.S.C. 3109, payment of fees and expenses for witnesses, rental of conference rooms in the District of Columbia and elsewhere, and hire of passenger motor vehicles; $8,450,000.

UNITED STATES TAX COURT

SALARIES AND EXPENSES

For necessary expenses, including contract reporting and other services as authorized by 5 U.S.C. 3109, $33,921,000: Provided, That travel expenses of the judges shall be paid upon the written certificate of the judge.

This title may be cited as the "Independent Agencies Appropriations Act, 1998".

TITLE V—GENERAL PROVISIONS

THIS ACT

SEC. 501. No part of any appropriation contained in this Act shall remain available for obligation beyond the current fiscal year unless expressly so provided herein.

SEC. 502. The expenditure of any appropriation under this Act for any consulting service through procurement contract, pursuant to 5 U.S.C. 3109, shall be limited to those contracts where such expenditures are a matter of public record and available for public inspection, except where otherwise provided under existing law, or under existing Executive order issued pursuant to existing law.

SEC. 503. None of the funds made available by this Act shall be available for any activity or for paying the salary of any Government employee where funding an activity or paying a salary to a Government employee would result in a decision, determination, rule, regulation, or policy that would prohibit the enforcement of section 307 of the Tariff Act of 1930.

SEC. 504. None of the funds made available by this Act shall be available in fiscal year 1998, for the purpose of transferring control over the Federal Law Enforcement Training Center located at Glynco, Georgia, and Artesia, New Mexico, out of the Treasury Department.

SEC. 505. The Office of Personnel Management may, during the fiscal year ending September 30, 1998, and hereafter, accept donations of supplies, services, land, and equipment for the Federal Executive Institute and Management Development Centers to assist in enhancing the quality of Federal management.

SEC. 506. No part of any appropriation contained in this Act shall be available to pay the salary for any person filling a position, other than a temporary position, formerly held by an employee who has left to enter the Armed Forces of the United States and has satisfactorily completed his period of active military or naval service and has within 90 days after his release from such service or from hospitalization continuing after discharge for a period of not more than 1 year made application for restoration to his former position and has been certified by the Office of Personnel Management as still qualified to perform the duties of his former position and has not been restored thereto.

SEC. 507. No funds appropriated pursuant to this Act may be expended by an entity unless the entity agrees that in expending the assistance the entity will comply with sections 2 through 4 of the Act of March 3, 1933 (41 U.S.C. 10a–10c, popularly known as the "Buy American Act").

SEC. 508. (a) PURCHASE OF AMERICAN-MADE EQUIPMENT AND PRODUCTS.—In the case of any equipment or products that may be authorized to be purchased with financial assistance provided under this Act, it is the sense of the Congress that entities receiving such assistance should, in expending the assistance, purchase only American-made equipment and products.

(b) NOTICE TO RECIPIENTS OF ASSISTANCE.—In providing financial assistance under this Act, the Secretary of the Treasury shall provide to each recipient of the assistance a notice describing the statement made in subsection (a) by the Congress.

SEC. 509. If it has been finally determined by a court or Federal agency that any person intentionally affixed a label bearing a "Made in America" inscription, or any inscription with the same meaning, to any product sold in or shipped to the United States that is not made in the United States, such person shall be ineligible to receive any contract or subcontract made with funds provided pursuant to this Act, pursuant to the debarment, suspension, and ineligibility procedures described in sections 9.400 through 9.409 of title 48, Code of Federal Regulations.

SEC. 510. Except as otherwise specifically provided by law, not to exceed 50 percent of unobligated balances remaining available at the end of fiscal year 1998 from appropriations made available for salaries and expenses for fiscal year 1998 in this Act, shall remain available through September 30, 1999, for each such account for the purposes authorized: Provided, That a request shall be submitted to the House and Senate Committees on Appropriations for approval prior to the expenditure of such funds: Provided further, That these requests shall be made in compliance with reprogramming guidelines.

SEC. 511. None of the funds made available in this Act may be used by the Executive Office of the President to request from the Federal Bureau of Investigation any official background investigation report on any individual, except when it is made known to the Federal official having authority to obligate or expend such funds that—

(1) such individual has given his or her express written consent for such request not more than 6 months prior to the date of such request and during the same presidential administration; or

(2) such request is required due to extraordinary circumstances involving national security.

SEC. 512. (a) PROHIBITING REAPPOINTMENT OF MEMBERS OF FEDERAL ELECTION COMMISSION.—Section 306(a)(2)(A) of the Federal Election Campaign Act of 1971 (2 U.S.C. 437c(a)(2)(A)) is amended by striking "for terms of 6 years" and inserting "for a single term of 6 years".

(b) APPLICABILITY.—The amendment made by subsection (a) shall apply with respect to individuals nominated by the President to be members of the Federal Election Commission after December 31, 1997.

SEC. 513. No funds appropriated by this Act shall be available to pay for an abortion, or the administrative expenses in connection with any health plan under the Federal employees health benefit program which provides any benefits or coverage for abortions.

SEC. 514. The provision of section 513 shall not apply where the life of the mother would be endangered if the fetus were carried to term, or the pregnancy is the result of an act of rape or incest.

SEC. 515. Section 1 under the subheading "General Provision" under the heading "Office of Personnel Management" under title IV of the Treasury, Postal Service and General Government Appropriations Act, 1992 (Public Law 102–141; 105 Stat. 861; 5 U.S.C. 5941 note), as amended by section 532 of the Treasury, Postal Service and General Government Appropriations Act, 1995 (Public Law 103–329; 108 Stat. 2413), and by section 5 under the heading "General Provisions—Office of Personnel Management" under title IV of the Treasury, Postal Service, and General Government Appropriations Act, 1996 (Public Law 104–52; 109 Stat. 490), is further amended by striking "1998" both places it appears and inserting "2000".

SEC. 516. (a) Title 5, United States Code, is amended—

(1) in section 8334 by adding at the end the following new subsection:

"(m) A Member who has served in a position in the executive branch for which the rate of basic pay was reduced for the duration of the service of the Member to remove the impediment to the appointment of the Member imposed by article I, section 6, clause 2 of the Constitution, or the survivor of such a Member, may deposit to the credit of the Fund an amount equal to the difference between the amount deducted from the basic pay of the Member during that period of service and the amount that would have been deducted if the rate of basic pay which would otherwise have been in effect during that period had been in effect, plus interest computed under subsection (e).";

(2) in section 8337(a) by striking "or (q)" and inserting "(q), or (r)";

(3) in section 8339—

(A) in subsections (f) and (i)–(m) by striking "and (q) of this section" and "and (q)" each time either appears and inserting "(q), and (r)";

(B) in subsection (g) by striking "or (q) of this section" each time it appears and inserting "(q), or (r)"; and

(C) by adding at the end the following new subsection:

"(r) The annuity of a Member who has served in a position in the executive branch for which the rate of basic pay was reduced for the duration of the service of the Member in that position to remove the impediment to the appointment of the Member imposed by article I, section 6, clause 2 of the Constitution, shall, subject to a deposit in the Fund as provided under section 8334(m), be computed as though the rate of basic pay which would otherwise have been in effect during that period of service had been in effect.";

(4) in section 8341(b)(1) and (d) by striking "and (q) of this title" each place it appears and inserting "(q), and (r)";

(5) in section 8334a(c) by striking "and (q) of section 8339 of this title" and inserting "(q), and (r) of section 8339";

(6) in section 8344(a)(A) by striking "and (q) of this title" and inserting "(q), and (r)";

(7) in section 8415 by adding at the end the following new subsection:

"(h) The annuity of a Member who has served in a position in the executive branch for which

the rate of basic pay was reduced for the duration of the service of the Member in that position to remove the impediment to the appointment of the Member imposed by article I, section 6, clause 2 of the Constitution, shall, subject to a deposit in the Fund as provided under section 8422(g), be computed as though the rate of basic pay which would otherwise have been in effect during that period of service had been in effect.''

(8) in section 8422 by adding at the end the following new subsection:

''(g) A Member who has served in a position in the executive branch for which the rate of basic pay was reduced for the duration of the service of the Member to remove the impediment to the appointment of the Member imposed by article I, section 6, clause 2 of the Constitution, or the survivor of such a Member, may deposit to the credit of the Fund an amount equal to the difference between the amount deducted from the basic pay of the member during that period of service and the amount that would have been deducted if the rate of basic pay which would otherwise have been in effect during that period had been in effect, plus interest computed under section 8334(e).''; and

(9) in section 8468 by striking ''through (f)'' and inserting ''through (g)''.

(b) The amendments made by subsection (a) shall be applicable to any annuity commencing before, on, or after the date of enactment of this Act, and shall be effective with regard to any payment made after the first month following the date of enactment.

SEC. 517. (a) Section 5948 of title 5, United States Code, is amended—

(1) in subsection (d) by striking the second sentence and inserting the following: ''No agreement shall be entered into under this section later than September 30, 2000, nor shall any agreement cover a period of service extending beyond September 30, 2002.''; and

(2) in subsection (j)(2)(A) by striking ''September 30, 1997'' and inserting ''September 30, 2000''.

(b) Section 3 of the Federal Physicians Comparability Allowance Act of 1978 (5 U.S.C. 5948 note) is amended by striking ''September 30, 1999'' and inserting ''September 30, 2002''.

(c) The amendments made by this section shall take effect on the date of enactment of this Act.

SEC. 518. (a)(1) Section 8341 of title 5, United States Code, is amended by adding at the end the following:

''(k)(1) Subsections (b)(3)(B), (d)(ii), and (h)(3)(B)(i) (to the extent that they provide for termination of a survivor annuity because of a remarriage before age 55) shall not apply if the widow, widower, or former spouse was married for at least 30 years to the individual on whose service the survivor annuity is based.

''(2) A remarriage described in paragraph (1) shall not be taken into account for purposes of section 8339(j)(5) (B) or (C) or any other provision of this chapter which the Office may by regulation identify in order to carry out the purposes of this subsection.''.

(2) Such section 8341 is further amended—

(A) in subsections (b)(3)(B) and (d)(ii) by striking ''remarries'' and inserting ''except as provided in subsection (k), remarries''; and

(B) in subsection (h)(3)(B)(i) by striking ''in'' and inserting ''except as provided in subsection (k), in''.

(b)(1)(A) Section 8442(d) of title 5, United States Code, is amended by adding at the end the following:

''(3) Paragraph (1)(B) (relating to termination of a survivor annuity because of a remarriage before age 55) shall not apply if the widow or widower was married for at least 30 years to the individual on whose service the survivor annuity is based.''.

(B) Subsection (d)(1)(B) of such section 8442 is amended by striking ''remarries'' and inserting ''except as provided in paragraph (3), remarries''.

(2)(A) Section 8445 of title 5, United States Code, is amended by adding at the end the following:

''(h)(1) Subsection (c)(2) (to the extent that it provides for termination of a survivor annuity because of a remarriage before age 55) shall not apply if the former spouse was married for at least 30 years to the individual on whose service the survivor annuity is based.

''(2) A remarriage described in paragraph (1) shall not be taken into account for purposes of section 8419(b)(1)(B) or any other provision of this chapter which the Office may by regulation identify in order to carry out the purposes of this subsection.''.

(B) CONFORMING AMENDMENT.—Subsection (c)(2) of such section 8445 is amended by striking ''shall'' and inserting ''except as provided in subsection (h), shall''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply with respect to remarriages occurring on or after January 1, 1995.

TITLE VI—GENERAL PROVISIONS

DEPARTMENTS, AGENCIES, AND CORPORATIONS

SEC. 601. Funds appropriated in this or any other Act may be used to pay travel to the United States for the immediate family of employees serving abroad in cases of death or life threatening illness of said employee.

SEC. 602. No department, agency, or instrumentality of the United States receiving appropriated funds under this or any other Act for fiscal year 1998 shall obligate or expend any such funds, unless such department, agency, or instrumentality has in place, and will continue to administer in good faith, a written policy designed to ensure that all of its workplaces are free from the illegal use, possession, or distribution of controlled substances (as defined in the Controlled Substances Act) by the officers and employees of such department, agency, or instrumentality.

SEC. 603. Notwithstanding 31 U.S.C. 1345, any agency, department, or instrumentality of the United States which provides or proposes to provide child care services for Federal employees may reimburse any Federal employee or any person employed to provide such services for travel, transportation, and subsistence expenses incurred for training classes, conferences, or other meetings in connection with the provision of such services: Provided, That any per diem allowance made pursuant to this section shall not exceed the rate specified in regulations prescribed pursuant to section 5707 of title 5, United States Code.

SEC. 604. Unless otherwise specifically provided, the maximum amount allowable during the current fiscal year in accordance with section 16 of the Act of August 2, 1946 (60 Stat. 810), for the purchase of any passenger motor vehicle (exclusive of buses, ambulances, law enforcement, and undercover surveillance vehicles), is hereby fixed at $8,100 except station wagons for which the maximum shall be $9,100: Provided, That these limits may be exceeded by not to exceed $3,700 for police-type vehicles, and by not to exceed $4,000 for special heavy-duty vehicles: Provided further, That the limits set forth in this section may not be exceeded by more than 5 percent for electric or hybrid vehicles purchased for demonstration under the provisions of the Electric and Hybrid Vehicle Research, Development, and Demonstration Act of 1976: Provided further, That the limits set forth in this section may be exceeded by the incremental cost of clean alternative fuels vehicles acquired pursuant to Public Law 101-549 over the cost of comparable conventionally fueled vehicles.

SEC. 605. Appropriations of the executive departments and independent establishments for the current fiscal year available for expenses of travel, or for the expenses of the activity concerned, are hereby made available for quarters allowances and cost-of-living allowances, in accordance with 5 U.S.C. 5922-24.

SEC. 606. Unless otherwise specified during the current fiscal year, no part of any appropriation contained in this or any other Act shall be used to pay the compensation of any officer or employee of the Government of the United States (including any agency the majority of the stock of which is owned by the Government of the United States) whose post of duty is in the continental United States unless such person (1) is a citizen of the United States, (2) is a person in the service of the United States on the date of enactment of this Act who, being eligible for citizenship, has filed a declaration of intention to become a citizen of the United States prior to such date and is actually residing in the United States, (3) is a person who owes allegiance to the United States, (4) is an alien from Cuba, Poland, South Vietnam, the countries of the former Soviet Union, or the Baltic countries lawfully admitted to the United States for permanent residence, (5) is a South Vietnamese, Cambodian, or Laotian refugee paroled in the United States after January 1, 1975, or (6) is a national of the People's Republic of China who qualifies for adjustment of status pursuant to the Chinese Student Protection Act of 1992: Provided, That for the purpose of this section, an affidavit signed by any such person shall be considered prima facie evidence that the requirements of this section with respect to his or her status have been complied with: Provided further, That any person making a false affidavit shall be guilty of a felony, and, upon conviction, shall be fined no more than $4,000 or imprisoned for not more than 1 year, or both: Provided further, That the above penal clause shall be in addition to, and not in substitution for, any other provisions of existing law: Provided further, That any payment made to any officer or employee contrary to the provisions of this section shall be recoverable in action by the Federal Government. This section shall not apply to citizens of Ireland, Israel, or the Republic of the Philippines, or to nationals of those countries allied with the United States in a current defense effort, or to international broadcasters employed by the United States Information Agency, or to temporary employment of translators, or to temporary employment in the field service (not to exceed 60 days) as a result of emergencies.

SEC. 607. Appropriations available to any department or agency during the current fiscal year for necessary expenses, including maintenance or operating expenses, shall also be available for payment to the General Services Administration for charges for space and services and those expenses of renovation and alteration of buildings and facilities which constitute public improvements performed in accordance with the Public Buildings Act of 1959 (73 Stat. 749), the Public Buildings Amendments of 1972 (87 Stat. 216), or other applicable law.

SEC. 608. In addition to funds provided in this or any other Act, all Federal agencies are authorized to receive and use funds resulting from the sale of materials, including Federal records disposed of pursuant to a records schedule recovered through recycling or waste prevention programs. Such funds shall be available until expended for the following purposes:

(1) Acquisition, waste reduction and prevention, and recycling programs as described in Executive Order 12873 (October 20, 1993), including any such programs adopted prior to the effective date of the Executive Order.

(2) Other Federal agency environmental management programs, including, but not limited to,

the development and implementation of hazardous waste management and pollution prevention programs.

(3) Other employee programs as authorized by law or as deemed appropriate by the head of the Federal agency.

SEC. 609. Funds made available by this or any other Act for administrative expenses in the current fiscal year of the corporations and agencies subject to chapter 91 of title 31, United States Code, shall be available, in addition to objects for which such funds are otherwise available, for rent in the District of Columbia; services in accordance with 5 U.S.C. 3109; and the objects specified under this head, all the provisions of which shall be applicable to the expenditure of such funds unless otherwise specified in the Act by which they are made available: Provided, That in the event any functions budgeted as administrative expenses are subsequently transferred to or paid from other funds, the limitations on administrative expenses shall be correspondingly reduced.

SEC. 610. No part of any appropriation for the current fiscal year contained in this or any other Act shall be paid to any person for the filling of any position for which he or she has been nominated after the Senate has voted not to approve the nomination of said person.

SEC. 611. No part of any appropriation contained in this or any other Act shall be available for interagency financing of boards (except Federal Executive Boards), commissions, councils, committees, or similar groups (whether or not they are interagency entities) which do not have a prior and specific statutory approval to receive financial support from more than one agency or instrumentality.

SEC. 612. Funds made available by this or any other Act to the Postal Service Fund (39 U.S.C. 2003) shall be available for employment of guards for all buildings and areas owned or occupied by the Postal Service and under the charge and control of the Postal Service, and such guards shall have, with respect to such property, the powers of special policemen provided by the first section of the Act of June 1, 1948, as amended (62 Stat. 281; 40 U.S.C. 318), and, as to property owned or occupied by the Postal Service, the Postmaster General may take the same actions as the Administrator of General Services may take under the provisions of sections 2 and 3 of the Act of June 1, 1948, as amended (62 Stat. 281; 40 U.S.C. 318a, 318b), attaching thereto penal consequences under the authority and within the limits provided in section 4 of the Act of June 1, 1948, as amended (62 Stat. 281; 40 U.S.C. 318c).

SEC. 613. None of the funds made available pursuant to the provisions of this Act shall be used to implement, administer, or enforce any regulation which has been disapproved pursuant to a resolution of disapproval duly adopted in accordance with the applicable law of the United States.

SEC. 614. (a) Notwithstanding any other provision of law, and except as otherwise provided in this section, no part of any of the funds appropriated for the fiscal year ending on September 30, 1998, by this or any other Act, may be used to pay any prevailing rate employee described in section 5342(a)(2)(A) of title 5, United States Code—

(1) during the period from the date of expiration of the limitation imposed by section 616 of the Treasury, Postal Service and General Government Appropriations Act, 1997, until the normal effective date of the applicable wage survey adjustment that is to take effect in fiscal year 1998, in an amount that exceeds the rate payable for the applicable grade and step of the applicable wage schedule in accordance with such section 616; and

(2) during the period consisting of the remainder of fiscal year 1998, in an amount that exceeds, as a result of a wage survey adjustment, the rate payable under paragraph (1) by more than the sum of—

(A) the percentage adjustment taking effect in fiscal year 1998 under section 5303 of title 5, United States Code, in the rates of pay under the General Schedule; and

(B) the difference between the overall average percentage of the locality-based comparability payments taking effect in fiscal year 1998 under section 5304 of such title (whether by adjustment or otherwise), and the overall average percentage of such payments which was effective in fiscal year 1997 under such section.

(b) Notwithstanding any other provision of law, no prevailing rate employee described in subparagraph (B) or (C) of section 5342(a)(2) of title 5, United States Code, and no employee covered by section 5348 of such title, may be paid during the periods for which subsection (a) is in effect at a rate that exceeds the rates that would be payable under subsection (a) were subsection (a) applicable to such employee.

(c) For the purposes of this section, the rates payable to an employee who is covered by this section and who is paid from a schedule not in existence on September 30, 1997, shall be determined under regulations prescribed by the Office of Personnel Management.

(d) Notwithstanding any other provision of law, rates of premium pay for employees subject to this section may not be changed from the rates in effect on September 30, 1997, except to the extent determined by the Office of Personnel Management to be consistent with the purpose of this section.

(e) This section shall apply with respect to pay for service performed after September 30, 1997.

(f) For the purpose of administering any provision of law (including section 8431 of title 5, United States Code, and any rule or regulation that provides premium pay, retirement, life insurance, or any other employee benefit) that requires any deduction or contribution, or that imposes any requirement or limitation on the basis of a rate of salary or basic pay, the rate of salary or basic pay payable after the application of this section shall be treated as the rate of salary or basic pay.

(g) Nothing in this section shall be considered to permit or require the payment to any employee covered by this section at a rate in excess of the rate that would be payable were this section not in effect.

(h) The Office of Personnel Management may provide for exceptions to the limitations imposed by this section if the Office determines that such exceptions are necessary to ensure the recruitment or retention of qualified employees.

SEC. 615. During the period in which the head of any department or agency, or any other officer or civilian employee of the Government appointed by the President of the United States, holds office, no funds may be obligated or expended in excess of $5,000 to furnish or redecorate the office of such department head, agency head, officer, or employee, or to purchase furniture or make improvements for any such office, unless advance notice of such furnishing or redecoration is expressly approved by the Committees on Appropriations of the House and Senate. For the purposes of this section, the word "office" shall include the entire suite of offices assigned to the individual, as well as any other space used primarily by the individual or the use of which is directly controlled by the individual.

SEC. 616. Notwithstanding any other provision of law, no executive branch agency shall purchase, construct, and/or lease any additional facilities, except within or contiguous to existing locations, to be used for the purpose of conducting Federal law enforcement training without the advance approval of the House and Senate Committees on Appropriations.

SEC. 617. Notwithstanding section 1346 of title 31, United States Code, or section 611 of this Act, funds made available for fiscal year 1998 by this or any other Act shall be available for the interagency funding of national security and emergency preparedness telecommunications initiatives which benefit multiple Federal departments, agencies, or entities, as provided by Executive Order Numbered 12472 (April 3, 1984).

SEC. 618. (a) None of the funds appropriated by this or any other Act may be obligated or expended by any Federal department, agency, or other instrumentality for the salaries or expenses of any employee appointed to a position of a confidential or policy-determining character excepted from the competitive service pursuant to section 3302 of title 5, United States Code, without a certification to the Office of Personnel Management from the head of the Federal department, agency, or other instrumentality employing the Schedule C appointee that the Schedule C position was not created solely or primarily in order to detail the employee to the White House.

(b) The provisions of this section shall not apply to Federal employees or members of the armed services detailed to or from—

(1) the Central Intelligence Agency;

(2) the National Security Agency;

(3) the Defense Intelligence Agency;

(4) the offices within the Department of Defense for the collection of specialized national foreign intelligence through reconnaissance programs;

(5) the Bureau of Intelligence and Research of the Department of State;

(6) any agency, office, or unit of the Army, Navy, Air Force, and Marine Corps, the Federal Bureau of Investigation and the Drug Enforcement Administration of the Department of Justice, the Department of Transportation, the Department of the Treasury, and the Department of Energy performing intelligence functions; and

(7) the Director of Central Intelligence.

SEC. 619. No department, agency, or instrumentality of the United States receiving appropriated funds under this or any other Act for fiscal year 1998 shall obligate or expend any such funds, unless such department, agency, or instrumentality has in place, and will continue to administer in good faith, a written policy designed to ensure that all of its workplaces are free from discrimination and sexual harassment and that all of its workplaces are not in violation of title VII of the Civil Rights Act of 1964, as amended, the Age Discrimination in Employment Act of 1967, and the Rehabilitation Act of 1973.

SEC. 620. No part of any appropriation contained in this Act may be used to pay for the expenses of travel of employees, including employees of the Executive Office of the President, not directly responsible for the discharge of official governmental tasks and duties: Provided, That this restriction shall not apply to the family of the President, Members of Congress or their spouses, Heads of State of a foreign country or their designees, persons providing assistance to the President for official purposes, or other individuals so designated by the President.

SEC. 621. Notwithstanding any provision of law, the President, or his designee, must certify to Congress, annually, that no person or persons with direct or indirect responsibility for administering the Executive Office of the President's Drug-Free Workplace Plan are themselves subject to a program of individual random drug testing.

SEC. 622. (a) None of the funds made available in this or any other Act may be obligated or expended for any employee training that—

(1) does not meet identified needs for knowledge, skills, and abilities bearing directly upon the performance of official duties;

(2) contains elements likely to induce high levels of emotional response or psychological stress in some participants;

(3) does not require prior employee notification of the content and methods to be used in the training and written end of course evaluation;

(4) contains any methods or content associated with religious or quasi-religious belief systems or "new age" belief systems as defined in Equal Employment Opportunity Commission Notice N–915.022, dated September 2, 1988;

(5) is offensive to, or designed to change, participants' personal values or lifestyle outside the workplace; or

(6) includes content related to human immunodeficiency virus-acquired immune deficiency syndrome (HIV/AIDS) other than that necessary to make employees more aware of the medical ramifications of HIV/AIDS and the workplace rights of HIV-positive employees.

(b) Nothing in this section shall prohibit, restrict, or otherwise preclude an agency from conducting training bearing directly upon the performance of official duties.

SEC. 623. No funds appropriated in this or any other Act for fiscal year 1998 may be used to implement or enforce the agreements in Standard Forms 312 and 4355 of the Government or any other nondisclosure policy, form, or agreement if such policy, form, or agreement does not contain the following provisions: "These restrictions are consistent with and do not supersede, conflict with, or otherwise alter the employee obligations, rights, or liabilities created by Executive Order 12356; section 7211 of title 5, United States Code (governing disclosures to Congress); section 1034 of title 10, United States Code, as amended by the Military Whistleblower Protection Act (governing disclosure to Congress by members of the military); section 2302(b)(8) of title 5, United States Code, as amended by the Whistleblower Protection Act (governing disclosures of illegality, waste, fraud, abuse or public health or safety threats); the Intelligence Identities Protection Act of 1982 (50 U.S.C. 421 et seq.) (governing disclosures that could expose confidential Government agents); and the statutes which protect against disclosure that may compromise the national security, including sections 641, 793, 794, 798, and 952 of title 18, United States Code, and section 4(b) of the Subversive Activities Act of 1950 (50 U.S.C. section 783(b)). The definitions, requirements, obligations, rights, sanctions, and liabilities created by said Executive Order and listed statutes are incorporated into this agreement and are controlling.": Provided, That notwithstanding the preceding paragraph, a nondisclosure policy form or agreement that is to be executed by a person connected with the conduct of an intelligence or intelligence-related activity, other than an employee or officer of the United States Government, may contain provisions appropriate to the particular activity for which such document is to be used. Such form or agreement shall, at a minimum, require that the person will not disclose any classified information received in the course of such activity unless specifically authorized to do so by the United States Government. Such nondisclosure forms shall also make it clear that they do not bar disclosures to Congress or to an authorized official of an executive agency or the Department of Justice that are essential to reporting a substantial violation of law.

SEC. 624. No part of any funds appropriated in this or any other Act shall be used by an agency of the executive branch, other than for normal and recognized executive-legislative relationships, for publicity or propaganda purposes, and for the preparation, distribution or use of any kit, pamphlet, booklet, publication, radio, television or film presentation designed to support or defeat legislation pending before the Congress, except in presentation to the Congress itself.

SEC. 625. (a) IN GENERAL.—No later than September 30, 1998, the Director of the Office of Management and Budget shall submit to the Congress a report that provides—

(1) estimates of the total annual costs and benefits of Federal regulatory programs, including quantitative and nonquantitative measures of regulatory costs and benefits;

(2) estimates of the costs and benefits (including quantitative and nonquantitative measures) of each rule that is likely to have a gross annual effect on the economy of $100,000,000 or more in increased costs;

(3) an assessment of the direct and indirect impacts of Federal rules on the private sector, State and local government, and the Federal Government; and

(4) recommendations from the Director and a description of significant public comments to reform or eliminate any Federal regulatory program or program element that is inefficient, ineffective, or is not a sound use of the Nation's resources.

(b) NOTICE.—The Director shall provide public notice and an opportunity to comment on the report under subsection (a) before the report is issued in final form.

SEC. 626. None of the funds appropriated by this Act or any other Act, may be used by an agency to provide a Federal employee's home address to any labor organization except when it is made known to the Federal official having authority to obligate or expend such funds that the employee has authorized such disclosure or that such disclosure has been ordered by a court of competent jurisdiction.

SEC. 627. The Secretary of the Treasury is authorized to establish scientific certification standards for explosives detection canines, and shall provide, on a reimbursable basis, for the certification of explosives detection canines employed by Federal agencies, or other agencies providing explosives detection services at airports in the United States.

SEC. 628. None of the funds made available in this Act or any other Act may be used to provide any non-public information such as mailing or telephone lists to any person or any organization outside of the Federal Government without the approval of the House and Senate Committees on Appropriations.

SEC. 629. Notwithstanding section 611, interagency financing is authorized to carry out the purposes of the National Bioethics Advisory Commission.

SEC. 630. No part of any appropriation contained in this or any other Act shall be used for publicity or propaganda purposes within the United States not heretofore authorized by the Congress.

SEC. 631. None of the funds appropriated in this or any other Act shall be used to acquire information technologies which do not comply with part 39.106 (Year 2000 compliance) of the Federal Acquisition Regulation, unless an agency's Chief Information Officer determines that non-compliance with part 39.106 is necessary to the function and operation of the requesting agency or the acquisition is required by a signed contract with the agency in effect before the date of enactment of this Act. Any waiver granted by the Chief Information Officer shall be reported to the Office of Management and Budget, and copies shall be provided to Congress.

SEC. 632. For fiscal year 1998, the Secretary of the Treasury is authorized to use funds made available to the FSLIC Resolution Fund under Public Law 103–327, not to exceed $33,700,000, to reimburse the Department of Justice for the reasonable expenses of litigation that are incurred in the defense of claims against the U.S. arising from FIRREA and its implementation.

SEC. 633. PERSONAL ALLOWANCE PARITY AMONG NAFTA PARTIES. (a) IN GENERAL.—The United States Trade Representative and the Secretary of the Treasury, in consultation with the Secretary of Commerce, shall initiate discussions with officials of the Governments of Mexico and Canada to achieve parity in the duty-free personal allowance structure of the United States, Mexico, and Canada.

(b) REPORT.—The United States Trade Representative and the Secretary of the Treasury shall report to Congress within 90 days after the date of enactment of this Act on the progress that is being made to correct any disparity between the United States, Mexico, and Canada with respect to duty-free personal allowances.

(c) RECOMMENDATIONS.—If parity with respect to duty-free personal allowances between the United States, Mexico, and Canada is not achieved within 180 days after the date of enactment of this Act, the United States Trade Representative and the Secretary of the Treasury shall submit recommendations to Congress for appropriate legislation and action.

SEC. 634. None of the funds made available in this Act for the United States Custom Service may be used to allow the importation into the United States of any good, ware, article, or merchandise mined, produced, or manufactured by forced or indentured child labor, as determined pursuant to section 307 of the Tariff Act of 1930 (19 U.S.C. 1307).

SEC. 635. No later than 30 days after the enactment of this Act, the Director of the Office of Management and Budget shall require all Federal departments and agencies to report total obligations for the expenses of employee relocation. All obligations incident to employee relocation authorized under either chapter 57 of title 5, United States Code, or section 901 of the Foreign Service Act of 1980 (22 U.S.C. 4081; Public Law 96–465), shall be included. Such information for the past, current, and budget years shall be included in the agency budget submission to the President. The Director of the Office of Management and Budget shall prepare a table presenting obligations for the expenses of employee relocation for all departments and agencies, and such table shall be transmitted to Congress each year as part of the President's annual budget.

SEC. 636. Notwithstanding any other provision of law, no part of any appropriation contained in this Act or any other Act for any fiscal year shall be available for paying Sunday premium pay to any employee unless such employee actually performed work during the time corresponding to such premium pay.

SEC. 637. Section 302(g)(1) of the Federal Election Campaign Act of 1971 (2 U.S.C. 432(g)(1)) is amended—

(1) by striking "and" after "Senator,"; and

(2) by inserting after "candidate," the following: "and by the Republican and Democratic Senatorial Campaign Committees".

SEC. 638. (a) Chapter 31 of title 5, United States Code, is amended by inserting after section 3112 the following:

"§3113. Restriction on reemployment after conviction of certain crimes

"An employee shall be separated from service and barred from reemployment in the Federal service, if—

"(1) the employee is convicted of a violation of section 201(b) of title 18; and

"(2) such violation related to conduct prohibited under section 1010(a) of the Controlled Substances Import and Export Act (21 U.S.C. 960(a)).".

(b) The table of sections for chapter 31 of title 5, United States Code, is amended by inserting after the item relating to section 3112 the following:

"3113. Restriction on reemployment after conviction of certain crimes.".

(c) This section shall apply during fiscal year 1998 and each fiscal year thereafter.

SEC. 639. (a) COORDINATION OF COUNTERDRUG INTELLIGENCE CENTERS AND ACTIVITIES.—(1) Not later than 120 days after the date of enactment of this Act, the Director of the Office of National Drug Control Policy shall submit to the appropriate congressional committees, including the Committees on Appropriations, a plan to improve coordination, and eliminate unnecessary duplication, among the counterdrug intelligence centers and counterdrug activities of the Federal Government, including the centers and activities of the following departments and agencies:

(A) The Department of Defense, including the Defense Intelligence Agency.

(B) The Department of the Treasury, including the United States Customs Service and the Financial Crimes Enforcement Network (FinCEN).

(C) The Central Intelligence Agency.

(D) The Coast Guard.

(E) The Department of Justice, including the National Drug Intelligence Center (NDIC); the Drug Enforcement Administration, including the El Paso Intelligence Center (EPIC); and the Federal Bureau of Investigation.

(2) The purpose of the plan under paragraph (1) is to maximize the effectiveness of the centers and activities referred to in that paragraph in achieving the objectives of the national drug control strategy. In order to maximize such effectiveness, the plan shall—

(A) articulate clear and specific mission statements for each counterdrug intelligence center and activity, including the manner in which responsibility for counterdrug intelligence activities will be allocated among the counterdrug intelligence centers;

(B) specify the relationship between such centers;

(C) specify the means by which proper oversight of such centers will be assured;

(D) specify the means by which counterdrug intelligence will be forwarded effectively to all levels of officials responsible for United States counterdrug policy; and

(E) specify mechanisms to ensure that State and local law enforcement agencies are apprised of counterdrug intelligence acquired by Federal law enforcement agencies in a manner which—

(i) facilitates effective counterdrug activities by State and local law enforcement agencies; and

(ii) provides such State and local law enforcement agencies with the information relating to the safety of officials involved in their counterdrug activities.

(b) APPROPRIATE CONGRESSIONAL COMMITTEES DEFINED.—In this section, the term "appropriate congressional committees" means the following:

(1) The Committee on Foreign Relations, the Committee on the Judiciary, and the Select Committee on Intelligence of the Senate.

(2) The Committee on International Relations, the Committee on the Judiciary, and the Permanent Select Committee on Intelligence of the House of Representatives.

SEC. 640. No part of any appropriation contained in this or any other Act shall be available for the payment of the salary of any officer or employee of the Federal Government, who—

(1) prohibits or prevents, or attempts or threatens to prohibit or prevent, any other officer or employee of the Federal Government from having any direct oral or written communication or contact with any Member, committee, or subcommittee of the Congress in connection with any matter pertaining to the employment of such other officer or employee or pertaining to the department or agency of such other officer or employee in any way, irrespective of whether such communication or contact is at the initiative of such other officer or employee or in response to the request or inquiry of such Member, committee, or subcommittee; or

(2) removes, suspends from duty without pay, demotes, reduces in rank, seniority, status, pay, or performance of efficiency rating, denies promotion to, relocates, reassigns, transfers, disciplines, or discriminates in regard to any employment right, entitlement, or benefit, or any term or condition of employment of, any other officer or employee of the Federal Government, or attempts or threatens to commit any of the foregoing actions with respect to such other officer or employee, by reason of any communication or contact of such other officer or employee with any Member, committee, or subcommittee of the Congress as described in paragraph (1).

SEC. 641. Section 5118(d)(2) of title 31, United States Code, is amended by striking "This paragraph shall" and all that follows through the end of the paragraph.

SEC. 642. (a) This section may be cited as the "Federal Employees' Retirement System Open Enrollment Act of 1997".

(b) Any individual who, as of January 1, 1998, is employed by the Federal Government, and on such date is subject to subchapter III of chapter 83 of title 5, United States Code, may elect to become subject to chapter 84 of such title in accordance with regulations promulgated under subsection (c).

(c) The Office of Personnel Management shall promulgate regulations to carry out the provisions of this section. Such regulations shall—

(1)(A) subject to subparagraph (B), provide for an election under subsection (b) to be made not before July 1, 1998, or after December 31, 1998; and

(B) with respect to a Member of Congress, provide for—

(i) an election under subsection (b) to be made not before July 1, 1998, or after October 31, 1998; and

(ii) such an election to take effect not before January 4, 1999;

(2) provide notice and information to individuals who may make such an election, including information on a comparison of benefits an individual would receive from coverage under chapter 83 or 84 of title 5, United States Code; and

(3) provide for treatment of such an election similar to the applicable provisions of title III of the Federal Employees' Retirement System Act of 1986 (Public Law 99–335; 100 Stat. 599 et seq.).

(d)(1) Section 210(a)(5)(H)(i) of the Social Security Act (42 U.S.C. 410(a)(5)(H)(i)) is amended—

(A) by striking "or" after "1986" and inserting a comma; and

(B) by inserting "or the Federal Employees' Retirement System Open Enrollment Act of 1997" after "(50 U.S.C. 2157),".

(2) Section 3121(b)(5)(H)(i) of the Internal Revenue Code of 1986 is amended—

(A) by striking "or" after "1986" and inserting a comma; and

(B) by inserting "or the Federal Employees' Retirement System Open Enrollment Act of 1997" after "(50 U.S.C. 2157),".

This Act may be cited as the "Treasury and General Government Appropriations Act, 1998".

And the Senate agree to the same.

For consideration of the House bill, and the Senate amendment, and modifications committed to conference:

JIM KOLBE,
FRANK R. WOLF,
BOB LIVINGSTON,
STENY H. HOYER,
DAVID OBEY,
Managers on the Part of the House.

BEN NIGHTHORSE CAMPBELL,
RICHARD SHELBY,
TED STEVENS,
HERB KOHL,
BARBARA A. MIKULSKI,
ROBERT C. BYRD,
Managers on the Part of the Senate.

As additional conferees solely for consideration of Titles I through IV of the House bill, and Titles I through IV of the Senate amendment, and modifications committed to conference:

ERNEST ISTOOK,
ANNE M. NORTHUP,
CARRIE P. MEEK,
Managers on the Part of the House.

JOINT EXPLANATORY STATEMENT

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 2378), making appropriations for the Treasury Department, the United States Postal Service, the Executive Office of the President, and certain Independent Agencies, for the fiscal year ending September 30, 1998, and for other purposes, submit the following joint statement to the House and the Senate in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying conference report.

The conference agreement on the Treasury, Postal Service, and General Government Appropriations Act, 1998, incorporates some of the language and allocations set forth in House Report 105–240 and Senate Report 105–49. The language in these reports should be complied with unless specifically addressed in the accompanying statement of managers.

Senate Amendment: The Senate deleted the entire House bill after the enacting clause and inserted the Senate bill. The conference agreement includes a revised bill.

Throughout the accompanying explanatory statement, the managers refer to the Committee and the Committees on Appropriation. Unless otherwise noted, in both instances the managers are referring to the House Subcommittee on Treasury, Postal Service, and General Government and the Senate Subcommittee on Treasury and General Government.

REPROGRAMMING AND TRANSFER OF FUNDS GUIDELINES

Due to continuing issues associated with agency requests for reprogramming and transfer of funds and use of unobligated balances, the conferees have agreed to revise reprogramming guidelines of the Committees on Appropriations. These guidelines shall be complied with by all agencies funded by the Treasury, Postal Service and General Government Appropriations Act, 1998:

1. Except under extraordinary and emergency situations, the Committees on Appropriations will not consider requests for a reprogramming or a transfer of funds, or use of unobligated balances, which are submitted after the close of the third quarter of the fiscal year, June 30;

2. Clearly stated and detailed documentation presenting justification for the reprogramming, transfer, or use of unobligated balances shall accompany each request;

3. For agencies, departments, or offices receiving appropriations in excess of $20,000,000, a reprogramming shall be submitted if the amount to be shifted to or from any object class, budget activity, program line item, or program activity involved is in

excess of $500,000 or 10 percent, whichever is greater, of the object class, budget activity, program line item, or program activity;

4. For agencies, departments, or offices receiving appropriations less than $20,000,000, a reprogramming shall be submitted if the amount to be shifted to or from any object class, budget activity, program line item, or program activity involved is in excess of $50,000, or 10 percent, whichever is greater, of the object class, budget activity, program line item, or program activity;

5. For any action where the cumulative effect of below threshold reprogramming actions, or past reprogramming and/or transfer actions added to the request, would exceed the dollar threshold mentioned above, a reprogramming shall be submitted;

6. For any action which would result in a major change to the program or item which is different than that presented to and approved by either of the Committees, or the Congress, a reprogramming shall be submitted;

7. For any action where funds earmarked by either of the Committees for a specific activity are proposed to be used for a different activity, a reprogramming shall be submitted; and,

8. For any action where funds earmarked by either of the Committees for a specific activity are in excess to meet the project or activity requirement, and are proposed to be used for a different activity, a reprogramming shall be submitted.

Additionally, each request shall include a declaration that, as of the date of the request, none of the funds included in the request have been obligated, and none will be obligated, until the Committees on Appropriations have approved the request.

TITLE I—DEPARTMENT OF THE TREASURY

DEPARTMENTAL OFFICES

SALARIES AND EXPENSES

The conferees agree to provide $114,771,000, instead of $113,410,000 as proposed by the House and $114,794,000 as proposed by the Senate. Within this amount, $477,000 is for Domestic Finance, $750,000 is for International Affairs, and $500,000 is for contract awards to the National Law Center for Inter-American Free Trade for the explicit purpose of supporting Federal government efforts to conduct legal research specific to relevant trade issues. The conferees specifically deny the $1,000,000 request for the Commodity Market Fees Study, including the study of alternative funding sources and structures for the Commodity Futures Trading Commission.

The conferees agree to include language which sets aside $200,000 for a comprehensive study of the effect of gambling on bankruptcies as proposed by the House.

The conferees agree to include language which sets a funding "floor" for the Office of Foreign Assets Control as proposed by the Senate, modified to set the floor at $4,500,000.

The conferees agree to include language making technical corrections to language which appeared under this heading in the fiscal year 1997 Emergency Supplemental Appropriations Act as proposed by the Senate.

The conferees agree to include language allowing the Under Secretary for Enforcement to transfer up to $1,600,000 of available prior year balances of the Violent Crime Reduction Trust Fund.

UNDER SECRETARY FOR ENFORCEMENT

The conferees direct the Department of the Treasury to submit, with its fiscal year 1999 budget request, detailed budget justification materials for the Office of the Under Secretary for Enforcement.

OFFICE OF PROFESSIONAL RESPONSIBILITY

SALARIES AND EXPENSES

The conferees agree to provide $1,250,000 as proposed by the Senate instead of $1,500,000 as proposed by the House. The conferees expect that the Department will use approximately $350,000 in reprogramming authority, the anticipated share of the unobligated balance of funds at the end of fiscal year 1997, to augment this appropriation. The conferees include House language requiring the Under Secretary for Enforcement to undertake a comprehensive review of integrity issues and other matters related to the potential vulnerability of the U.S. Customs Service.

AUTOMATION ENHANCEMENT

The conferees agree to provide $25,889,000, instead of $25,989,000 as proposed by the House and $29,389,000 as proposed by the Senate. This includes: $8,789,000 for the Departmental Office's modernization plan; $6,100,000 for the International Trade Data System; and $11,000,000 for Customs' Automated Commercial Environment (ACE).

AUTOMATED COMMERCIAL ENVIRONMENT (ACE)

The conferees have followed closely Customs' efforts to meet the conditions for release of the $3,475,000 that was fenced in fiscal year 1997 pending completion of a systems architecture plan. While the conferees agree that Customs has markedly improved its processes for making systems investments, including the definition of requirements, the plan is still under review at this time.

In addition, the conferees were dismayed with the recent decision made by Customs to continue to fund ACE projects out of the Salaries and Expenses appropriation when it became clear that the fenced funding would not become available by mid-year. Although the funding level itself was below the dollar threshold for a formal reprogramming request, the conferees believe that the reallocation was not in accordance with Congressional intent. In the future, the conferees direct that funding for ACE be provided exclusively from resources appropriated in this account, absent prior consultation with the Committees on Appropriations.

The conferees strongly support modernization and automation of Customs business functions, and encourage the bureau to continue apace in its planning efforts; however, they remain equally convinced that automation and information technology investments must follow the prudent investment planning processes just now being implemented. The conferees agree to provide $11,000,000 in fiscal year 1998, but only after the Commissioner submits, and the Committees on Appropriations approve, a systems architecture plan and a milestone schedule for the development and implementation of all projects included in that plan.

INTERNATIONAL TRADE DATA SYSTEM

The conferees agree to provide $6,100,000 instead of $5,700,000 as proposed by the House and $5,600,000 as proposed by the Senate. The conferees direct that $500,000 of this amount be provided to support the Global TransPark Network Customs Information Project (GTPN/CIP).

OFFICE OF INSPECTOR GENERAL

SALARIES AND EXPENSES

The conferees agree to provide $29,719,000 as proposed by the Senate instead of $29,927,000 as proposed by the House.

The conferees agree to include language which transfers $26,034 to the Departmental Offices appropriation for the reimbursement of Secret Service agents who were the apparent targets of an investigation. The reimbursements are subject to Section 115 of this Act.

TREASURY BUILDING AND ANNEX REPAIR AND RESTORATION

The conferees agree to provide $10,484,000 as proposed by the Senate instead of $6,484,000 as proposed by the House.

TREASURY FORFEITURE FUND

The conferees are aware that the "super surplus" for the Treasury Forfeiture Fund in fiscal year 1997 will be significantly larger than in recent years and direct that the Department provide the Committees the plan for its intended use of these resources in a timely fashion. In support of using these resources to strengthen critical law enforcement capabilities, the conferees direct the Department to use $26,179,000 as follows: $11,100,000 to the Secret Service for its financial fraud operation ($3,000,000), activities related to the Federal Law Enforcement Wireless Users Group (FLEWUG) ($6,100,000), and maintenance requirements of the Rowley Training Center ($2,000,000); $4,000,000 to Customs to fund inspector rotation, if necessary and subject to the findings of the review to be undertaken by the Office of Professional Responsibility; $8,979,000 to the Bureau of Alcohol, Tobacco and Firearms for its firearms trafficking initiative ($6,000,000), increased arson inspectors ($2,729,000), and a guide for firearms and ammunition identification ($250,000); and $2,100,000 for the Financial Crimes Enforcement Network for international money laundering programs ($2,000,000), and to assist with travel and per diem costs of the National Conference of Commissioners of Uniform State Laws in connection with the drafting of a model law envisioned by section 407 of the Money Laundering Suppression Act of 1994 ($100,000).

EXPLOSIVES INSPECTORS

The conferees are strongly supportive of ATF efforts to fully inspect explosives facilities but find the justification for enhanced annual inspections of all facilities nationwide inadequate. The conferees provide $2,729,000 for this effort in fiscal year 1998, half of the funding requested.

VIOLENT CRIME REDUCTION PROGRAMS

The conferees agree to provide $131,000,000, instead of $97,000,000 proposed by the House and $130,955,000 proposed by the Senate. This amount is to be used as follows:

Bureau of Alcohol, Tobacco and Firearms:	
GREAT administration/training	$ 3,000,000
CEASEFIRE/IBIS Program	5,200,000
Vehicle replacement	4,500,000
Arson/Explosives Information Collection	1,608,000
Landmobile Radio Systems	1,139,000
Canine Explosives Detection Program	3,974,000
Subtotal, ATF	19,421,000
GREAT Program Grants:	10,000,000
Secret Service:	
Vehicle replacement	6,700,000
Identity-based fraud	1,460,000
Counterfeit investigations	5,000,000
Forensic technologies	2,000,000

Support for the NCMEC	571,000
Subtotal, Secret Service	15,731,000
Customs:	
High Energy X-Ray Inspection Systems	15,000,000
Redeployment of agents and inspectors	4,000,000
Canopy construction (Southwest border)	1,100,000
Land Border Automation Initiative	9,500,000
Operation Hard-Line III	8,413,000
Vehicle replacement	7,400,000
Laboratory modernization	5,735,000
Vehicle and container inspection system	5,000,000
Forward-Looking Infrared	4,500,000
Subtotal, Customs	60,648,000
Financial Crimes Enforcement Network	1,000,000
Federal Law Enforcement Training Center	1,000,000
Office of National Drug Control Policy:	
Counterdrug Technology Assessment Center	13,000,000
Model State Drug Law Conferences	1,200,000
Drug-Free Prison Pilot Project	6,000,000
Subtotal, ONDCP	20,200,000
High Intensity Drug Trafficking Areas:	3,000,000

SECRET SERVICE

For the Secret Service, the conferees provide $15,731,000 instead of $16,837,000 as proposed by the House and $21,178,000 as proposed by the Senate. The conferees provide $15,664,000 for White House Security through the Secret Service's Salaries and Expenses appropriation and $3,000,000 for Financial Institution Fraud Investigations through the Treasury Forfeiture Fund.

NATIONAL CENTER FOR MISSING AND EXPLOITED CHILDREN

CHILD EXPLOITATION UNIT

In fiscal year 1997, the Committees provided start up costs for the operation of the Exploited Child Unit at the National Center for Missing and Exploited Children as well as sufficient funds for the operation of this unit through fiscal year 1999. The Committees have had the opportunity to review the work of this Unit and are pleased with the progress being made in the integration of investigations of exploited children with investigations being conducted through the National Center for Missing and Exploited Children in recovering missing children. The conferees wish to express continued support for the work of this Center as well as the cooperation being provided by the Secret Service through the use of forensic technologies. The conferees provided an additional $571,000 for the operation of the Exploited Child Unit of the National Center for Missing and Exploited Children and encourages the Center to provide the Committees with periodic status reports of its investigative efforts.

COUNTERDRUG TECHNOLOGY TRANSFER PILOT PROGRAM

The conferees provide $13,000,000 to the Counterdrug Technology Assessment Center (CTAC) of the Office of National Drug Control Policy (ONDCP) to establish a program for transferring technology directly to State and local law enforcement agencies. Since its inception, CTAC has worked with many law enforcement agencies and prosecutors to find technological solutions to critical law enforcement problems, and many valuable applications have been developed. The conferees direct that this new funding be used to initiate a pilot program to transfer these technologies directly to State and local law enforcement agencies who may otherwise be unable to profit from the developments due to limited budgets or a lack of technological expertise. The conferees direct CTAC to initiate this program under the direction of the Chief Scientist, ONDCP, with the advice of experts from State and local law enforcement, and in cooperation with High Intensity Drug Trafficking Area (HIDTA) programs to identify the technologies to be transferred and locations to be served. The conferees expect that priority will be given to identifying candidates for transfer in the currently designated HIDTAs, and expect that CTAC and HIDTA will also weigh the ability and willingness of potential recipients to share in the costs of new technology, either through in-kind or direct contributions. The conferees also direct the Chief Scientist to submit a report to the Committees on Appropriations evaluating the performance of the program not later than 18 months from the date of the first transfer, as well as a strategic plan for countrywide deployment of technology. Additionally, the Chief Scientist is directed to consult with the Committees on Appropriations prior to the obligation of these funds to ensure that the money appropriated is going toward providing State and local law enforcement agencies access to counterdrug technology and not unreasonable administrative or otherwise unintended purposes.

FEDERAL LAW ENFORCEMENT TRAINING CENTER

FOREIGN LAW ENFORCEMENT TRAINING

The conferees have modified the Federal Law Enforcement Training Center (FLETC) language to allow the Secretary of the Treasury to waive the reimbursement requirement for training of foreign law enforcement officials for those training activities which take place in foreign countries under the provisions of section 801 of the Antiterrorism and Effective Death Penalty Act of 1996. However, the conferees expect the Secretary to ensure that utilization of such authority will not result in a diminution of the funds and personnel available for training of domestic law enforcement personnel.

FEDERAL LAW ENFORCEMENT TRAINING CENTER

ACQUISITION, CONSTRUCTION, IMPROVEMENTS, AND RELATED EXPENSES

The conferees agree to provide $32,548,000 as proposed by the House instead of $13,930,000 as proposed by the Senate.

FINANCIAL MANAGEMENT SERVICE

SALARIES AND EXPENSES

The conferees agree to provide $202,490,000 as proposed by the Senate instead of $199,675,000 as proposed by the House.

BUREAU OF ALCOHOL, TOBACCO AND FIREARMS

SALARIES AND EXPENSES

The conferees agree to provide $478,934,000, instead of $478,649,000 proposed by the House and $473,490,000 proposed by the Senate. This amount includes $4,961,000 for technology and telecommunications; $754,000 for laboratory and investigative supplies; $3,615,000 for computer modernization; $1,250,000 for the Youth Crime Gun Interdiction Initiative; and $6,333,000 for Permanent Change of Station moves and Within-Grade-Increases.

The conference agreement does not include a provision to require the ATF to seek prior approval from the House Committee on Government Reform and Oversight and the Senate Committee on Governmental Affairs for separation incentive plans authorized by Public Law 104–208. However, the conferees would like to remind all agencies that they are required to submit to the House and Senate, prior to implementation, their strategic plans outlining the intended use of such incentive payments and a proposed organization chart for the agency once the incentive payments have been completed.

The conferees recommend that the Bureau of Alcohol, Tobacco and Firearms work with the federally licensed firearms dealers to make recommendations for the improvement of the dealers' existing security measures.

UNITED STATES CUSTOMS SERVICE

SALARIES AND EXPENSES

The conferees agree to provide $1,522,165,000, instead of $1,526,078,000 proposed by the House and $1,551,028,000 as proposed by the Senate. This includes funding of $5,000,000 for Customs house renovation; $1,250,000 for one-time funding of the Global Trade and Research Program at the Montana World Trade Center; and $300,000 to staff a dedicated commuter lane in El Paso, Texas. The conference agreement provides language permitting up to $5,000,000 to be used for special operations. The conference agreement also provides that the overtime pay cap for Customs inspectors will be raised to $30,000.

LEASE AND PURCHASE OF CUSTOMS SERVICE VEHICLES

The conference agreement provides authority to the U.S. Customs Service to purchase and lease vehicles for police-type use. The conferees would like to remind Customs to conduct a cost-benefit analysis of the available acquisition methods, as required by OMB Circular A–109, when they are acquiring vehicles. Based on the results of this analysis, Customs should proceed with leasing vehicles, for police-type modification, only when it is determined that this acquisition method provides the Federal government long term savings.

CUSTOMS CLEARANCE

The conferees are concerned about possible disparities in customs clearance, time in transit, duties, and processing paperwork burdens attributable to shipment of goods. In its role of facilitating the movement of merchandise, cargo, and mail, the Customs Service is directed by the conferees to examine whether disparities exist in services used by small and large businesses and individuals with regard to customs clearance, time in transit, duties, and processing paperwork burdens. The Customs Service is directed to report back to the Committees on Appropriations by February 2, 1998. Further, the conferees are aware of the examination of the General Accounting Office on this issue, and request that the Customs Service cooperate fully with this investigation.

OPA-LOCKA AIRPORT

The conferees are aware that Opa-locka Airport in Dade County, Florida now has customs service from 9 a.m. to 5 p.m. These limited hours require general aviation aircraft arriving from Latin America and the Caribbean after 5 p.m. to land at Miami International Airport (MIA). This diversion further congests MIA, which is already the nation's busiest cargo airport. Accordingly, the conferees encourage the Customs Service to provide customs service at Opa-locka airport from 9 a.m. to 10 p.m. daily.

TEXTILES

The Customs Service shall report to the Appropriations Committee no later than March 1, 1998 on what actions it is taking to enforce prohibitions of illegal transshipments of fraudulently labeled textiles and apparels within the U.S. textile quota system. The Service will also provide the Committee with an assessment of the severity of the transshipment problem and its impact on U.S. textile and apparel manufacturers.

SOFTWOOD LUMBER AGREEMENT

One of the U.S. Customs Service's most important tasks is fully and effectively enforcing U.S. trade agreements. With this in mind, the conferees have provided an additional $2,000,000 to the U.S. Customs Service to supply additional resources for monitoring and enforcing the United States/Canada Softwood Lumber Agreement—our largest bilateral sectoral agreement. The Lumber Agreement, established in April 1996, addresses the problem of subsidized Canadian lumber imports which have caused enormous injury to U.S. lumber producers. This additional funding will provide Customs adequate resources to reconcile U.S. import data with Canadian export data on shipments under the Agreement. The resources should ensure that Customs conducts the Northern border inspections and analyzes the trade statistics necessary to ensure full and effective enforcement of the Lumber Agreement.

In that regard, the conferees expect that the U.S. Customs Service will cease enforcement of any interpretative ruling that would have the effect of undermining enforcement of the Lumber Agreement, including any ruling that would have the effect of classifying lumber that would otherwise be classified under the heading of 4407 of the Harmonized Tariff Schedule in a different classification because it has been drilled or otherwise subject to minor processing, until Congress can address this issue.

OPERATIONS, MAINTENANCE AND PROCUREMENT, AIR AND MARINE INTERDICTION PROGRAMS

The conferees agree to provide $92,758,000 as proposed by the Senate, instead of $97,258,000 as proposed by the House. The conferees agree to fund Forward-Looking Infrared systems through the Violent Crime Reduction Trust Fund.

CUSTOMS SERVICES AT SMALL AIRPORTS

The conferees agree to make permanent the provision that Customs services at small airports may be derived from fees collected.

BUREAU OF THE PUBLIC DEBT

ADMINISTERING THE PUBLIC DEBT

The conferees agree to provide $169,426,000, the amount proposed by both the House and the Senate. The conferees agree to include language providing $2,500 for official reception and representation expenses as proposed by the Senate.

INTERNAL REVENUE SERVICE

PROCESSING, ASSISTANCE, AND MANAGEMENT

The conferees agree to provide $2,925,874,000, instead of $2,915,100,000 as proposed by the House and $2,943,174,000 as proposed by the Senate.

The $17,300,000 reduction from the amount proposed by the Senate is from the amount requested for Earned Income Tax Credit (EITC) enforcement. The conferees have agreed to provide a total of $138,000,000 for EITC enforcement in a separate appropriation account and therefore the $17,300,000 is no longer required under this appropriation.

BROOKHAVEN SERVICE CENTER

The conferees are concerned that the IRS appears to be unwilling to come to a resolution on its proposed renovation plans for the IRS Center in Brookhaven, New York. Due to this recalcitrant attitude on the part of IRS, the renovation project is at least three years behind schedule.

Despite past assurances from both the IRS and the General Services Administration (GSA) that this renovation project would move forward expeditiously, this has not happened. The conferees direct the IRS to submit a report by January 15, 1998, to the Appropriations Committees that details its planned construction schedule to renovate the IRS Center in Brookhaven.

FIELD OFFICE REORGANIZATION

The Treasury, Postal Service and General Government Appropriations Act, 1997, (P.L. 104–208) included a provision (Section 105) which required the IRS to provide a report to the Committees on Appropriations on the impact of the planned field reorganization before it could implement the reorganization. The Committees found the report lacking, particularly with regard to the cost/benefit analysis of how adequate taxpayer service will be provided in the future. The conferees, therefore, direct the IRS to continue to delay its planned field reduction-in-force until it submits another report to the Committees on Appropriations, no earlier than January 30, 1998, with a detailed plan on how the IRS will ensure adequate taxpayer service in the future. In addition, based on concerns expressed by Members of Congress, the conferees direct the IRS to include in the report a detailed analysis of the impact of the field reorganization on the adequacy of taxpayer services in rural areas of the country.

PRIVACY ISSUES

The conferees have not included a provision as proposed by the House which would have prohibited the IRS from including Social Security numbers on mailing labels or other visible mailings because of the concern over the cost which the IRS would incur to implement this provision. However, the conferees remain concerned that including Social Security numbers on mailing labels or other visible mailings violates certain taxpayer privacy protections. The IRS should report to the Committees on Appropriations on how it plans to protect taxpayer privacy in its mailings.

ELECTRONIC FILING INITIATIVE

The conferees have included a provision as recommended by the House, with modifications, which establishes an Electronic Filing Initiative.

The provision directs that this initiative be established as a pilot project in fiscal year 1998. The initiative directs the IRS to pay up to $3.00 for each return filed electronically when the Commissioner of the IRS has determined that it is in the best interest of the government to make such a payment. The conferees stress the "up to" $3.00 sets the cap on the payment, but does not set a floor on the payment. The amount of the payment would be at the discretion of the Commissioner.

Additionally, it is not the intent of the conferees that the IRS should pay for electronically-filed tax returns which it would otherwise have received without making any payment. Therefore, the IRS shall only pay for the volume of electronically-filed tax returns that are in excess of the number which were received in 1996.

The conferees agree that only if the Commissioner determines that it is in the best interest of the government, shall any payment be made for the increased volume of electronically-filed tax returns. The conferees recognize that the IRS is in the process of developing a contract with private sector companies which provide electronic filing services which may offer non-payment incentives to increase electronic filing. The inclusion of this provision should not be construed as an effort to hinder or alter the IRS effort. The conferees simply want to ensure that the IRS will carry through on its long-delayed plan to increase electronically-filed returns. The plan should include the most appropriate mix of incentives, which may or may not include monetary offers, as determined by the Commissioner.

TAX LAW ENFORCEMENT

The conferees agree to provide $3,142,822,000, instead of $3,108,300,000 as proposed by the House and $3,153,722,000 as proposed by the Senate.

The $10,900,000 reduction from the amount proposed by the Senate is from the amount requested for Earned Income Tax Credit (EITC) enforcement. The conferees have agreed to provide a total of $138,000,000 for EITC enforcement in a separate appropriation account and therefore the $10,900,000 is no longer required under this appropriation.

RESCISSION OF FUNDS

The conferees agree to rescind $32,000,000 in previously appropriated funds as proposed by the Senate instead of a rescission of $14,500,000 in previously appropriated funds as proposed by the House.

INTERNAL AUDIT REPORTS

The conferees request that the Internal Revenue Service forward to the Committees on Appropriations copies of internal audit reports.

TIP REPORTING ALTERNATIVE COMMITMENT PROGRAM

The conferees agree with the House position that the IRS should work with taxpayers to ensure compliance with the Tip Reporting Alternative Commitment Agreement (TRAC). In too many instances, restaurant owners perceive that the IRS may be overzealous in their pursuit of voluntary agreement with TRAC by intimating that the business will be audited if there is no agreement. The conferees agree that IRS should ensure compliance with tip reporting by stressing its customer service role while working with restaurant owners.

REGULATIONS REGARDING CONDUCT OF NON-PROFIT VENTURES

The report which accompanied the Treasury, Postal Service and General Government Appropriations, 1997 (P.L. 104–208), incorporated by reference language contained in the Senate's report 104–330 concerning tax-exempt organizations and the tour industry. This is a continuing issue in fiscal year 1998 because of increased growth in the number of tax exempt organizations that choose to engage in commercial activities. The ambiguities in the definition of what is and is not taxable, contribute to the ongoing controversy.

The 1997 report directed the Internal Revenue Service to review this situation and take steps, if necessary, to develop regulations clarifying the "substantially related" test as it applies to tax exempt travel and tour activities. The IRS has not yet developed regulations to clarify this issue. The conferees believe that this issue must be resolved soon and directs the IRS to work with the appropriate Congressional committees to develop the necessary regulations before April 15, 1998.

EARNED INCOME TAX CREDIT COMPLIANCE INITIATIVE

The conferees agree to provide $138,000,000 in a new appropriation account for the Earned Income Tax Credit (EITC) compliance initiative which was established by section 5702 of the Balanced Budget Act of 1997 (Public Law 105-33). This is $30,895,000 more than the $107,105,000 requested by the President in a September 17, 1997 budget amendment.

The conferees direct that IRS use these funds only for the EITC compliance initiative. Furthermore, the IRS should establish a method to track the expenditure of funds and measure the impact on compliance. The IRS shall submit quarterly reports to the Committees on Appropriations which identify the expenditures and the change in the rates of compliance.

INFORMATION SYSTEMS

The conferees agree to provide $1,272,487,000, as proposed by the Senate, instead of $1,292,500,000 as proposed by the House.

Within this amount, the conferees agree to provide funds as follows:

Operational Systems	$936,614,000
Century Date Change	289,700,000
Quality Assurance	7,112,000
Modernization Management	8,227,000
Modernization Support	23,834,000
Retraining/Relocation of employees	7,000,000
Total	1,272,487,000

Through the re-application of 1997 and 1996 funds, an additional $87,000,000 is made available for Century Date Change requirements as discussed below.

The conferees note that the amount provided for Operational Systems is the amount requested in the fiscal year 1998 budget request. Should the IRS require the expenditure of funds in a manner different from that listed above, a reprogramming action is required.

CENTURY DATE CHANGE REQUIREMENTS

The conferees agree to provide a total of $376,700,000 for Century Date Change requirements. The conferees understand that, as of September 12, 1997, this is the amount requested for this program. Of this amount, $289,700,000 is provided as an appropriation in the Information Systems account. The conferees also direct that $77,000,000 be reprogrammed from fiscal year 1997 funds available from the Tax Systems Modernization (TSM) development and deployment program and $10,000,000 shall be reprogrammed from the 1996 TSM program. The conferees direct the IRS to expeditiously submit the necessary reprogramming actions to the Committees on Appropriations.

To the extent that the Century Date Change requirements exceed the amount provided, the Committees on Appropriations would be willing to consider a reprogramming request which would increase the amount available for the Century Date Change program.

The Committees on Appropriations were provided with an abundance of conflicting data from the IRS concerning what constitutes projects and activities required for addressing the Year 2000 systems changes. The conferees are concerned that the Century Date Change requirements are not yet finalized and projects and activities considered as part of the program may frequently change. Additionally, the conferees are concerned that the IRS has no overall integrated plan for the assessment of the problem, applying solutions to the problem, and then adequately testing the solutions before deployment of the applications to field operations.

Therefore, the conferees direct the IRS to develop a Century Date Change strategy which adequately addresses infrastructure, assessment (inventory/analysis), application renovation (upgrade deployment), and validation requirements. The conferees direct the IRS to provide quarterly reports tracking its progress in meeting this strategy. The report should include expenditure of funds, application of FTEs, and an estimate in percentage terms, stating how much has been accomplished and how much remains to be completed in accordance with the strategy.

Of the $376,700,000 provided for Century Date Change, $170,000,000 is available as follows:

Conversion & Testing	$79,000,000
Telecommunications	23,000,000
ADP Equipment	13,000,000
Operating systems software	17,000,000
Project Office/Program Management	9,000,000
Certification	7,000,000
Contingency	42,000,000
Offset within IRS budget	−20,000,000
Total	170,000,000

The conferees direct that the IRS provide the Committees on Appropriations notification prior to the expenditure of any funds identified above as a "Contingency." The notification shall include a justification of the expenditure and a certification that the expenditure is in compliance with the IRS strategy for Century Date Change.

DATA CENTER CONSOLIDATION

The conferees agree to provide a total of $164,700,000 for the consolidation of IRS' data centers. Of this amount, $157,700,000 is for costs associated with the acquisition and installation of equipment and software and $7,000,000 is for costs associated with any possible retraining or relocation of employees affected by the consolidation. To the extent that IRS does not require all of the $7,000,000 designated for retraining and relocation of employees, it may submit a reprogramming request to add these funds to the $157,000,000 provided for acquisition and installation of equipment and software necessary for Data Center Consolidation.

GOVERNMENT PROGRAM MANAGEMENT OFFICE (GPMO)

The conferees agree to provide $8,227,000 for Modernization Management. The conferees direct that, within these funds, the GPMO be staffed at no more than 75 full-time equivalents. The GPMO's responsibilities are to administer and manage the modernization program. The conferees expect that, in fiscal year 1998, the modernization program will focus on completing necessary details of the modernization blueprint, not the acquisition of new systems. The GPMO should monitor this process to ensure that the development of these details reflect the requirements of the IRS.

REPORTING REQUIREMENTS

The conferees agree with the quarterly reporting requirements contained in the House report (Report 105-240). However, the conferees agree that the quarterly reports should be submitted no later than 30 days after the close of each quarter, rather than 15 days, as recommended by the House.

INFORMATION TECHNOLOGY INVESTMENTS

The conferees agree to provide $325,000,000 as proposed by the Senate instead of $326,000,000 as proposed by the House. The conferees further agree that the funds are provided for modernization as described in the Modernization Blueprint which was submitted to Congress on May 15, 1997.

The conferees have agreed to prohibit the obligation of funds from the Information Systems (IS) appropriation, as well as previous IS appropriations, for awarding or otherwise initiating the Prime contract through which systems related to modernization would be acquired. The conferees have also agreed to prohibit the obligation of funds from the Technology Investments account until September 1, 1998, and until certain conditions are met. The conferees remind the IRS that the obligation of these funds is prohibited until the IRS is in compliance with all the requirements of the legislation.

The General Accounting Office (GAO) has reviewed the Modernization Blueprint and has informed the Committees on Appropriations that IRS has made a good start in developing its Modernization Blueprint, but must complete and implement this Blueprint before building or acquiring new systems. The conferees agree with the GAO in this regard. The Committees on Appropriations are very pleased that IRS has made significant progress in putting together a workable modernization program. However, many details of the Blueprint need to be completed before the IRS commits to acquire new systems. Funds provided for Modernization Support should be used to continue efforts to complete the necessary details.

The conferees direct the IRS to submit a status report, no later than April 30, 1998, which addresses ongoing efforts to implement the May 15, 1997 Modernization Blueprint. The report should, at a minimum, provide (1) detailed descriptions of how the IRS has implemented the processes and procedures for investment review and systems life cycle and (2) the status of efforts on the development of business cases and requirements.

ADMINISTRATIVE PROVISIONS

INTERNAL REVENUE SERVICE

Section 101–105. The conferees agree to include these provisions which were proposed by both the House and the Senate.

Section 106. The conferees agree to include a provision as proposed by the Senate which directs that funds shall be available for improved facilities and increased manpower to provide sufficient and effective 1-800 telephone assistance.

Section 107. The conferees agree to include a provision as proposed by the Senate which directs that no field reorganization shall be undertaken at Aberdeen, South Dakota, until certain conditions are met.

Section 108. The conferees agree to include a modified provision proposed by the Senate, which directs that no field reorganization of the Criminal Investigation Division will result in a reduction, as compared to the 1996 levels, of criminal investigators in Wisconsin. The provision has been modified to include the South Dakota Criminal Investigation Division.

UNITED STATES SECRET SERVICE

SALARIES AND EXPENSES

The conferees agree to provide $564,348,000 instead of $555,736,000 as proposed by the House and $570,809,000 as proposed by the Senate. The conferees provide $20,936,000 for additional White House Security requirements, instead of $4,000,000 as proposed by

the House and $6,568,000 as proposed by the Senate; this includes $15,664,000 for White House Security previously funded through the Violent Crime Reduction Trust Fund. The conferees include $6,100,000 for the Federal Law Enforcement Wireless Users Group in the Treasury Forfeiture Fund.

WHITE HOUSE SECURITY REQUIREMENTS

The conferees have provided a total of $20,936,000 for various White House Security requirements in fiscal year 1998. This is $7,864,000 below the amount requested by the Administration and reflects a reduction of $4,001,000 associated with 277 positions that remain unfilled and $3,863,000 for additional technical and clerical positions within the White House. The conferees fully support all ongoing and planned White House Security enhancements and note that, since the completion of the "White House Security Review", a total of $51,406,000 of the total anticipated requirement of approximately $62,000,000 has been funded. The conferees are committed to fully funding the recommendations of the "White House Security Review" and anticipate that full funding will be provided in fiscal year 1999.

ACQUISITION, CONSTRUCTION, IMPROVEMENT, AND RELATED EXPENSES

The conferees agree to provide $8,799,000 instead of $5,775,000 as proposed by the House and $9,176,000 as proposed by the Senate. This includes $7,176,000 for activities related to the new Headquarters as well as $1,623,000 for fixed site security requirements previously funded through Salaries and Expenses. The conferees provide $2,000,000 for maintenance related activities of the Rowley Training Center through the Treasury Forfeiture Fund.

GENERAL PROVISIONS—DEPARTMENT OF THE TREASURY

Section 110–114. The conferees agree to include these provisions which were proposed by both the House and Senate with minor technical corrections.

The conferees have not included a provision related to the currency paper contract, as proposed by the House.

Section 115. The conferees agree to include a provision as proposed by both the House and Senate which authorizes the reimbursement of Secret Service personnel under certain conditions. However, the conferees agree to the total amount of $26,034, as proposed by the House.

Section 116. The conferees agree to include a provision as proposed by both the House and Senate which prospectively adjusts the compensation of the Secretary of the Treasury, beginning with the subsequent Secretary.

Section 117. The conferees agree to include a provision as proposed by the House which limits the amount of time the Department may have to respond to requests for information. The conferees stress that the problems alleviated by this provision are problems which were experienced by the House Appropriations Committee, not the Senate Appropriations Committee.

Section 118–119. The conferees agree to include these provisions which were proposed by both the House and Senate with minor technical corrections.

Section 120. The conferees agree to include a provision, with modifications, as proposed by the House which directs the IRS to initiate an electronic filing pilot project. The provision has been modified to expand the group of participants and provide more discretion to the IRS Commissioner. This provision is addressed more fully in the IRS section of this Statement.

Section 121. The conferees agree to include a provision, with modifications, as proposed by the House which addresses compensation rates of police officers at the BEP and U.S. Mint. The modifications agreed to by the conferees clarify that setting the rates of pay shall be at the sole discretion of the Secretary of the Treasury or his designee.

Section 122. The conferees agree to include a provision, with modifications, as proposed by the House which adjusts the transfer of funds from the Treasury Forfeiture Fund to the Special Forfeiture Fund, and provides that unobligated balances of the Super Surplus may be carried forward into the next fiscal year. The modifications agreed to by the conferees provide that $38,500,000 of the Super Surplus would not be available for obligation until fiscal year 1999.

Section 123. The conferees agree to include a provision as proposed by the Senate which waives certain requirements of the U.S. Customs Service.

Section 124. The conferees agree to include a provision as proposed by the Senate which prohibits funds for the Inspector General of the Treasury Department to contract for advisory and assistance services.

TITLE II—POSTAL SERVICE

PAYMENT TO THE POSTAL SERVICE FUND FOR NONFUNDED LIABILITIES

The conferees provide no appropriation for Nonfunded Liabilities instead of $34,850,000 as proposed by both the House and Senate. The Balanced Budget Act of 1997, Pub. L. 105–33, contains a provision repealing the authorization for payments to the Postal Service as reimbursement for costs associated with former Post Office Department employees under the Employees' Compensation Fund. As a result, no funding has been provided for Payment to the Postal Service Fund for Nonfunded Liabilities.

NON-POSTAL COMMERCIAL ACTIVITIES

The conferees have recently been made aware of concerns within the small business community relating to certain "non-postal" commercial activities. The non-postal commercial activities recently initiated by the Postal Service include the sale of T-shirts, neckties, greeting cards, stationary, and other gift items.

The conferees continue to have an interest in non-postal commercial activities and therefore direct the Postal Service to report, as part of its fiscal year 1999 budget submission, on the non-postal activities offered by the Postal Service including a description of each service, the potential benefits to postal customers, an assessment of how these non-postal services contribute to providing uniform postal services at uniform rates, an estimate of net revenue generated, and, if applicable, an assessment of the potential impact of non-postal operations on the small business community.

The conferees also note that the House Government Reform and Oversight Committee is considering postal reform legislation and among the issues which it may consider is the issue of competition by the Postal Service in these areas. The requested report should be made available to that Committee for consideration during action in this area as part of its postal reform legislation or as separate legislation.

GLOBAL PACKAGE LINK

The conferees include no provisions related to Global Package Link as proposed by the House in House Report 105–240.

TITLE III—EXECUTIVE OFFICE OF THE PRESIDENT AND FUNDS APPROPRIATED TO THE PRESIDENT

WHITE HOUSE OFFICE

WHITE HOUSE COMMUNICATIONS AGENCY

The conferees direct the White House Office to establish a system for tracking and verifying all reimbursements made to the White House Communications Agency (WHCA) and to report to the Committees on Appropriations on this system no later than November 1, 1997. In addition, the conferees direct the White House Office, as part of its annual budget submission, to provide a detailed accounting of reimbursements made to WHCA in the current fiscal year and an estimate of reimbursements for the upcoming year. This submission should include a description of the types of services reimbursed.

EXECUTIVE RESIDENCE AT THE WHITE HOUSE

REIMBURSABLE EXPENSES

The conferees establish a separate account for the Reimbursable Expenses of the Executive Residence, as proposed by the House.

OFFICE OF POLICY DEVELOPMENT

SALARIES AND EXPENSES

The conferees eliminate all restrictions on the use of funds for computer modernization within the Office of Policy Development as proposed by the Senate.

OFFICE OF ADMINISTRATION

CAPITAL INVESTMENT PLAN

The conferees have recently received information from the Office of Administration (OA) regarding the Executive Office of the President's (EOP) five-year automation plan. Based on this information, and as requested by the Administration, the conferees have agreed to eliminate all restrictions on the use of funds for information technology within the Executive Office of the President. The conferees understand that the OA has established a formal Information Technology Management Team (ITMT) as of September 25, 1997. The conferees further understand that the ITMT will be responsible for assessing, approving, modifying and implementing a systems architecture plan for EOP information technology modernization. The conferees direct the OA to submit the architectural plan, as approved by the ITMT, to the Committees on Appropriations as expeditiously as possible. As part of the fiscal year 1999 budget submission, the OA should include a milestone schedule for the development and implementation of all projects included in the systems architecture plan and an estimate of the funds and projects required to support the fiscal year 1999 capital investments associated with that plan.

OFFICE OF MANAGEMENT AND BUDGET

SALARIES AND EXPENSES

The conferees agree to provide $57,440,000 for the Office of Management and Budget (OMB) instead of $57,240,000 as proposed by the House and the Senate.

CONGRESSIONAL REVIEW ACT

The conferees are aware of concerns that the Office of Information and Regulatory Affairs (OIRA) may not be implementing and coordinating certain provisions of the Congressional Review Act (CRA) as efficiently and effectively as possible. The conferees urge the Director of OMB to ensure the maximum coordination and implementation of the CRA through the OIRA.

AGRICULTURAL MARKETING ORDERS

As proposed by the House, the conferees have included a provision prohibiting the use

of funds for reviewing agricultural marketing orders. The conferees agree that this provision shall not negate the study of the Northeast Interstate Dairy Compact as required by Section 732 of the conference report accompanying H.R. 2160. The conferees also agree that OMB shall not conduct any study or review that hinders the Department of Agriculture from implementing the consolidations and reforms of federal milk marketing orders as requited by the provisions of Section 143 of the Federal Agricultural Improvement and Reform Act of 1996 (7 U.S.C., et seq).

DEBT COLLECTION ACTIVITIES

The Debt Collection Improvement Act (DCIA) of 1996 (31 U.S.C. 3716, 31 U.S.C. 3720A, 26 U.S.C. 602, and 5 U.S.C. 5514) requires agencies to refer delinquent debt to the Department of the Treasury so that Treasury can offset delinquent debt owed the respective agency against payments made by Treasury disbursement officials. Pursuant to the DCIA, agencies are required to transfer to Treasury for collection, debts that are insufficiently serviced and 180 days delinquent, unless prescribed actions by a particular agency have commenced.

Enactment of this legislation is intended to streamline and enhance the capabilities of the Federal government in collection of outstanding debts. The conferees are concerned that agencies have not taken the appropriate steps required by law and are failing to provide Treasury with the information within the time frame outlined in the statute.

The conferees, therefore, direct the Director of OMB to ensure that agencies are complying with the law and providing information to Treasury as required.

UNIQUE IDENTIFICATION NUMBER

The Director of the Office of Management and Budget shall prepare and submit to the Committees on Appropriations and to the Government Reform and Oversight Committee of the House and the Committee on Governmental Affairs of the Senate, by not later than March 15, 1998, a report on the costs, benefits and logistics of implementing a proposal to require that each organization that receives a grant from the Federal government should be issued a unique identification number.

OFFICE OF NATIONAL DRUG CONTROL POLICY

SALARIES AND EXPENSES

The conferees agree to provide $35,016,000 instead of $43,516,000 as proposed by the House and $36,016,000 as proposed by the Senate. Of this amount, the conferees have included $16,000,000 for the basic program of the Counterdrug Technology Assessment Center, and $1,000,000 for policy research and evaluation.

The conference agreement separately funds $13,000,000 for a new technology transfer program by the Counterdrug Technology Assessment Center, as well as $1,200,000 for model state drug law conferences, through the Violent Crime Reduction Trust Fund.

FEDERAL DRUG CONTROL PROGRAMS

HIGH INTENSITY DRUG TRAFFICKING AREAS PROGRAM

The conferees agree to provide $159,007,000 instead of $146,207,000 as proposed by the House and $140,207,000 as proposed by the Senate. This amount would fully fund the Administration's request. The conferees provide $10,000,000 for the creation of three new HIDTAs: $6,000,000 for Kentucky, West Virginia, and Tennessee; $1,000,000 for central Florida; and $3,000,000 for Milwaukee, Wisconsin, should the Director of the ONDCP determine the location meets the designated criteria. In addition, funding is included for methamphetamine programs, including $1,500,000 to the Rocky Mountain HIDTA and $7,300,000 to build upon national methamphetamine reduction programs funded in fiscal year 1997 through the Special Forfeiture Fund. Finally, the conferees agree to provide an additional $3,000,000 for the Rocky Mountain HIDTA through the Violent Crime Reduction Trust Fund. The conferees encourage the Director of the ONDCP to consider providing assistance under this program to the Suffolk County, New York, Police Department's Computer Crime Analysis Unit.

SPECIAL FORFEITURE FUND

The conferees agree to provide $211,000,000 instead of $205,000,000 as proposed by the House and $145,300,000 as proposed by the Senate. This includes $195,000,000 to support a national media campaign, $10,000,000 to support matching grants to drug-free communities as authorized in the Drug-Free Communities Act of 1997, and $6,000,000 to continue the program funded in fiscal year 1997 to reduce drug use in the criminal justice system.

YOUTH MEDIA CAMPAIGN

The conference agreement includes $195,000,000 to support a national media campaign for the first year of a possible five-year media campaign proposed by the Director of the ONDCP to target young people. No funds would be available for obligation until the ONDCP Director submits a strategy for approval that contains:

(1) guidelines to ensure and certify that funds will neither supplement nor supplant current anti-drug community based coalitions or pro bono public service time donated by national and local broadcasting networks;

(2) guidelines to ensure and certify that no funds will be used for partisan political purposes, or to fund media campaigns that feature elected officials, persons seeking elected office, cabinet-level officials, or certain other Federal officials;

(3) a detailed implementation plan for securing private sector contributions including but not limited to in-kind contributions;

(4) a detailed implementation plan of the qualifications necessary for any organization, entity, or individual to receive funding for or otherwise be provided broadcast media time; and

(5) a system to measure outcomes of success of the national media campaign.

The conference agreement requires the ONDCP Director to report to Congress quarterly on obligation of funds and on the parameters of the campaign, as well as to report to Congress within two years on the effectiveness of the campaign based upon the measurable outcomes previously provided to Congress.

The conferees direct ONDCP to assess all media vehicles available for this campaign including, but not limited to, broadcast and print media, and the Internet. Further, the conferees direct ONDCP to consult with media and drug experts, such as the Ad Council and the Partnership for a Drug-Free America, in an effort to draw from the experience and expertise of individuals and organizations that have experience in this field, including health and education professionals. The conferees are convinced that close consultation with the private sector on the development and implementation of this campaign is critical to its success.

The conferees believe this media campaign, if properly executed, has the potential to produce concrete results by the year 2001. The conferees will closely track this campaign and its contribution to achieving a drug-free America. The conferees anticipate that future funding will be based on results.

TITLE IV—INDEPENDENT AGENCIES

FEDERAL ELECTION COMMISSION

SALARIES AND EXPENSES

The conferees provide $31,650,000 instead of $34,550,000 as proposed by the House and $29,000,000 as proposed by the Senate. Of this amount $3,800,000 is fenced for internal automated data processing; this includes $2,500,000 for ongoing computer modernization initiatives and $1,300,000, as requested by the FEC, for computerized imaging and indexing of documents related to the 1996 election cycle. The conferees also provide $750,000 for an independent audit of the FEC and $300,000 for a system to disclose and maintain all FEC filings on the Internet. The conferees agree that the FEC should maintain an FTE level of no greater than 313.5 during fiscal year 1998.

PERFORMANCE AND TECHNOLOGICAL AUDIT

The conferees agree that $750,000 of FEC's funds will be made available, by transfer, to the General Accounting Office (GAO). GAO is directed to use these funds to enter into a contract with an independent entity for the purpose of conducting a technological and performance audit and management review of FEC operations. GAO shall develop a scope of work that addresses the management and technology concerns raised by the conferees and identified in House Report 105-240, shall perform the administrative duties necessary to award and monitor the contract, shall ensure that the selected contractor has the necessary background and technical skills to successfully conduct the study, and shall ensure that the contractor deliverables are responsive to the scope of the contract. The conferees direct GAO to consult with the Committees on Appropriations and the House Oversight Committee on the parameters of this audit and wish to make it clear that the audit outline, scope, content and resultant reports are the purview of these Committees, not of the GAO.

FEDERAL LABOR RELATIONS AUTHORITY

SALARIES AND EXPENSES

The conferees provide $22,039,000 as proposed by the Senate instead of $21,803,000 as proposed by the House.

GENERAL SERVICES ADMINISTRATION

FEDERAL BUILDINGS FUND

LIMITATIONS ON AVAILABILITY OF REVENUE

The conferees agree to provide $4,835,934,000 in new obligational authority for the General Services Administration's (GSA), Federal Buildings Fund (FBF) as proposed by the House, instead of $4,885,934,000 as proposed by the Senate.

The conferees agree with the House position on providing no additional obligational authority for chloroflurocarbons program in 1998. This reduction is taken without prejudice. The conferees agree that this will place an additional burden on GSA's attempts to meet its requirements under the Clean Air Act. However, limited funding options did not provide sufficient latitude for the conferees to meet this requirement.

The conferees agree with the Senate position on providing separate limitations on the Rental of Space and the Building Operations programs, instead of the House position which combined these two programs into one limitation amount.

The conferees agree with the House position which set a $680,543,000 limitation on expenditures "previously requested and approved under this heading in prior fiscal years." By accepting the House language, the conferees wish to stress that the General Services Administration, not just Congress, contributed to the creation of a shortfall in the Federal Buildings Fund by requesting the authority to use the Fund for the construction, acquisition, and repair of Federal buildings when the balances in the Fund were not sufficient to support the request.

POLICY AND OPERATIONS

The conferees agree to provide $107,487,000 as proposed by the House instead of $104,487,000 as proposed by the Senate.

The conferees direct that $2,000,000 be provided in accordance with the direction included in the House report and that $1,000,000 be used to initiate a digital medical education project.

GOVERNOR'S ISLAND

The conferees direct that, in fiscal year 1999, GSA appropriately budget for the protection and maintenance of Governor's Island, New York. This U.S. Coast Guard property is designated for disposal by GSA in the future and such funds as may be necessary should be requested so that there is no undue deterioration of the property prior to its sale.

FEDERAL OFFICE BUILDING IN COLORADO SPRINGS

The Federal building located at 1520 Willamette Avenue in Colorado Springs, Colorado, is owned by GSA and is currently leased to the U.S. Air Force Space Command. In the event that the Space Command does not renew or extend its lease, and the facility becomes vacant and is deemed surplus, the conferees urge GSA to strongly consider the United States Olympic Committee's need for additional space and to give priority to the USOC's request to gain title or otherwise acquire this property.

SURPLUS EQUIPMENT TO SCHOOLS AND EDUCATIONAL INSTITUTIONS

The conferees urge the GSA, in line with its responsibilities for the disposal of excess and surplus Federal personal property, to promote and foster the transfer of excess and surplus computer equipment directly to schools and appropriate nonprofit, community-based educational organizations. The GSA should communicate with other Federal agencies to heighten their ongoing awareness of the existing opportunities at both the national and local levels to meet the needs of the schools for such equipment and work with agencies to ensure that the equipment is conveyed to the school or organization quickly and at the least cost to the institution. The conferees further direct GSA to work with the regional Federal executive boards providing guidance and assistance to help establish regional clearinghouses of information on the availability of excess computer surplus equipment in each region. This information should be made readily available to schools.

GENERAL PROVISIONS—GENERAL SERVICES ADMINISTRATION

Sections 401–409. The conferees agree to include provisions as proposed by both the House and Senate.

Section 410. The conferees agree to include a provision as proposed by the House which authorizes GSA to repay debts incurred by the Pennsylvania Avenue Development Corporation.

Section 411. The conferees agree to include a provision as proposed by the House which authorizes GSA to pay claims up to $250,000 from construction projects and acquisition of buildings.

Section 412. The conferees agree to include a provision as proposed by the House which directs GSA to sell certain property in Bakersfield, California.

Section 413. The conferees agree to include a provision as proposed by the Senate, with modifications, which amends Section 201(b) of the Federal Property and Administrative Services Act (Section 1555 of the Federal Acquisition Streamlining Act). H.R. 2378, as reported to the House of Representatives, included a provision identical to that included as Section 410 in the Senate version of the bill. The provision was eliminated from the House bill due to technical issues associated with the Rules of the House. The modifications agreed to by the conferees reinstate the authority of qualified nonprofit agencies for the blind and severely handicapped that are providing a commodity or service to the Federal government under a contract awarded under the Javits-Wagner O'Day Act. This authority was inadvertently deleted in the language which was adopted by the Senate. The provision included by the conferees only deletes that part of Section 201(b) known as the Cooperative Purchasing Act.

FEDERAL PAYMENT TO MORRIS K. UDALL SCHOLARSHIP AND EXCELLENCE IN NATIONAL ENVIRONMENTAL POLICY FOUNDATION

The conferees agree to provide $1,750,000, instead of $2,000,000 as proposed by the House and no appropriation as proposed by the Senate.

MERIT SYSTEMS PROTECTION BOARD

SALARIES AND EXPENSES

The conferees agree to provide $25,290,000 as proposed by the House instead of $24,810,000 as proposed by the Senate.

NATIONAL ARCHIVES AND RECORDS ADMINISTRATION

OPERATING EXPENSES

The conferees agree to provide $205,166,500 instead of $202,354,000 as proposed by the House and $206,479,000 as proposed by the Senate.

ARCHIVES FACILITIES AND PRESIDENTIAL LIBRARIES

REPAIRS AND RESTORATION

The conferees agree to provide $14,650,000, instead of $10,650,000 as proposed by the House and $13,650,000 as proposed by the Senate. Within this amount, the National Archives shall spend $4,000,000 to complete its plan for the repair and restoration of the Truman Library and $4,000,000 to complete its plan for the repair and restoration of the Roosevelt Library.

NATIONAL HISTORICAL PUBLICATIONS AND RECORDS COMMISSION

GRANTS PROGRAM

The conferees agree to provide $5,500,000 as proposed by the House instead of $5,000,000 as proposed by the Senate.

OFFICE OF GOVERNMENT ETHICS

SALARIES AND EXPENSES

The conferees agree to provide $8,265,000 as proposed by the Senate instead of $8,078,000 as proposed by the House.

OFFICE OF SPECIAL COUNSEL

SALARIES AND EXPENSES

The conferees agree to provide $8,450,000 as proposed by the Senate instead of $8,116,000 as proposed by the House.

UNITED STATES TAX COURT

SALARIES AND EXPENSES

The conferees agree to provide $33,921,000 as proposed by the House instead of $34,293,000 as proposed by the Senate.

TITLE V—GENERAL PROVISIONS

THIS ACT

SEC. 501-503. The conferees agree to include these provisions proposed by both the House and the Senate.

SEC. 504. The conferees agree to include a provision as proposed by the Senate which prohibits transferring control over FLETC. The conferees do not agree to make this provision permanent as proposed by the House.

SEC. 505. The conferees agree to make permanent a provision as proposed by both the House and Senate which authorizes the Federal Executive Institute and Management Development Centers to accept donations of supplies, services, land and equipment.

SEC. 506. The conferees agree to include a provision as proposed by both the House and Senate which provides employment rights to federal employees who return to their civilian jobs after assignment with the Armed Forces.

SEC. 507. The conferees agree to include a provision as proposed by the House and Senate regarding compliance with the Buy American Act.

SEC. 508. The conferees agree to include a provision as proposed by the House and Senate which prohibits contracts which use goods not made in America.

SEC. 509. The conferees agree to include a provision as proposed by both the House and Senate which prohibits the intentional use of a "Made in America" inscription on goods not made in the United States.

SEC. 510. The conferees agree to include a provision as proposed by the House and Senate authorizing the use of unobligated balances for certain purposes. The conferees agree to the Senate proposal that such requests be made in compliance with reprogramming guidelines.

SEC. 511. The conferees agree to include a provision as proposed by both the House and Senate which prohibits the use of funds for the White House to request official background reports without the written consent of the individual who is the subject of the report.

The conferees have not included a provision as proposed by the House that would have limited the expenditure of funds for Sunday premium pay or night differential pay, and would allow differential pay to an employee in a paid leave status under certain conditions. This provision is addressed in Title VI.

The conferees do not include a provision as proposed by the House which provided an additional $4,200,000 for the FEC's automated data processing systems.

SEC. 512. The conferees agree to include a provision as proposed by the House, with modifications, limiting term limits for FEC Commissioners. The modification limits the term for FEC Commissioners nominated by the President to be members after December 31, 1997.

SEC. 513. The conferees agree to include a provision as proposed by the House which would prohibit the expenditure of funds for abortions under the FEHBP. The same language was included by the Senate as Section 644.

SEC. 514. The conferees agree to include a provision as proposed by the House which would authorize the expenditure of funds for abortions under the FEHB if the life of the mother is in danger or the pregnancy is the result of an act of rape or incest. The same language was included by the Senate as Section 645.

SEC. 515. The conferees agree to include a provision as proposed by the Senate which

provides the Office of Personnel Management more time to study and report to Congress on the methodology for determining cost-of-living allowance (COLA) rates.

SEC. 516. The conferees agree to include a provision authorizing the adjustment of retirement pay for certain individuals under certain conditions.

SEC. 517. The conferees agree to include a provision to extend the Physicians Comparability Allowance.

SEC. 518. The conferees agree to include a provision on survivor annuities.

TITLE VI—GOVERNMENT WIDE GENERAL PROVISIONS

SECTION 601-626. The conferees agree to include provisions as proposed by both the House and Senate with minor technical corrections.

SECTION 627. The conferees agree to include a provision as proposed by the House which authorizes the Secretary of the Treasury to establish standards for explosives detection canines.

SECTION 628. The conferees agree to include a provision as proposed by both the House and Senate which prohibits the use of funds to provide non-public information such as mailing or telephone lists to any person or organization outside of the Federal government.

SECTION 629. The conferees agree to include a provision as proposed by the House which authorizes interagency financing for the National Bioethics Advisory Commission.

SECTION 630-631. The conferees agree to include provisions proposed by both the House and the Senate.

SECTION 632. The conferees agree to include a provision concerning FSLIC, authorizing reimbursement to the Department of Justice for litigation expenses in claims against the United States. The conferees expect that OMB will submit, with the fiscal year 1999 budget request, language which would make this provision permanent law.

The conferees do not agree to include a provision as proposed by the House which prohibits IRS from including Social Security numbers on mailing labels or other visible IRS mailings. This issue is addressed in the IRS section

SECTION 633. The conferees agree to include a provision relating to NAFTA as proposed by both the House and Senate with minor technical corrections.

SECTION 634. The conferees agree to include a provision as proposed by the House which prohibits the U.S. Customs Service from allowing the importation of products produced by forced or indentured child labor.

SECTION 635. The conferees agree to include a provision, with modifications, as proposed by the Senate requiring OMB to establish an object class to track employee relocation costs. The revised provision would require Federal departments and agencies to report their total obligations for the expenses of employee relocation to OMB with their annual budget submissions. The information would then be compiled by OMB into a table which will be transmitted to Congress with the President's annual budget submission.

SECTION 636. The conferees agree to include a provision, with a modification, as proposed by the Senate which limits the expenditure of funds for Sunday premium pay. The modification makes this provision government-wide. The House included a similar provision as Section 513.

The conferees do not agree to include a provision as proposed by the Senate which directed the USPS to issue a special rate breast cancer stamp.

The conferees do not agree to include a provision as proposed by the Senate which prohibited Federal agencies from furnishing commercially available services or property to other agencies unless certain requirements were met.

SECTION 637. The conferees agree to include a provision as proposed by the Senate which amends the Federal Election Campaign Act to extend coverage to the Republican and Democratic Senatorial Campaign Committees.

The conferees do not agree to include a provision as proposed by the Senate which included a sense of the Senate regarding the importation of fish.

The conferees do not agree to include a provision as proposed by the Senate which prohibited computer game programs on Federal government computers.

The conferees do not agree to include a provision as proposed by the Senate which authorized Congressional committees to provide certain reporting.

SECTION 638. The conferees agree to include a provision as proposed by the Senate which requires the separation from service and bars reemployment of Federal employees convicted of bribery related to violations of the Controlled Substances Import and Export Act.

SECTION 639. The conferees agree to include a provision as proposed by the Senate which requires ONDCP to submit a plan for counterdrug intelligence coordination.

SECTION 640. The conferees agree to include a provision as proposed by the House and Senate, with modifications, which prohibits the use of funds to prevent Federal employees from communicating with Congress or take disciplinary or personnel actions against employees for such communication. The modification makes the provision effective government wide.

SECTION 641. The conferees agree to include a provision as proposed by the Senate which amends Title 31 relating to gold clauses.

The conferees do not agree to a Senate provision relating to Judicial Salaries.

The conferees do not agree to a Senate provision relating to cost-of-living adjustments for Members of Congress.

SECTION 642. The conferees agree to include a provision on the Federal Employees' Retirement System.

CONFERENCE TOTAL—WITH COMPARISONS

The total new budget (obligational) authority for the fiscal year 1998 recommended by the Committee of Conference, with comparisons to the fiscal year 1997 amount, the 1998 budget estimates, and the House and Senate bills for 1998 follows:

New budget (obligational) authority, fiscal year 1997	$24,101,623,000
Budget estimates of new (obligational) authority, fiscal year 1998	25,774,854,000
House bill, fiscal year 1998	25,155,789,000
Senate bill, fiscal year 1998	25,206,539,000
Conference agreement, fiscal year 1998	25,325,767,500
Conference agreement compared with:	
New budget (obligational) authority, fiscal year 1997	+1,224,144,500
Budget estimates of new (obligational) authority, fiscal year 1998	−449,086,500
House bill, fiscal year 1998	+169,978,500
Senate bill, fiscal year 1998	+119,228,500

For consideration of the House bill, and the Senate amendment, and modifications committed to conference:

JIM KOLBE,
FRANK R. WOLF,
BOB LIVINGSTON,
STENY H. HOYER,
DAVID OBEY,
Managers of the Part of the House.
BEN NIGHTHORSE CAMPBELL,
RICHARD SHELBY,
TED STEVENS,
HERB KOHL,
BARBARA A. MIKULSKI,
ROBERT C. BYRD,
Managers on the Part of the Senate.

As additional conferees solely for consideration of Titles I through IV of the House bill, and Titles I through IV of the Senate amendment, and modifications committed to conference:

ERNEST ISTOOK,
ANNE M. NORTHUP,
CARRIE P. MEEK,
Managers of the Part of the House.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. HEFNER (at the request of Mr. GEPHARDT) for today, on account of illness in the family.

Mr. UNDERWOOD (at the request of Mr. GEPHARDT) for today through Wednesday, October 1, on account of official business.

Mr. RANGEL (at the request of Mr. GEPHARDT) for today, on account of official business.

Ms. HARMAN (at the request of Mr. GEPHARDT) for today, on account of traveling en route to Washington from official business in the district.

Mr. FATTAH (at the request of Mr. GEPHARDT) for today, on account of personal business.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. MCNULTY) to revise and extend their remarks and include extraneous material:)

Mr. GREEN, for 5 minutes, today.

Mr. DAVIS of Illinois, for 5 minutes, today.

Mr. SNYDER, for 5 minutes, today.

Mr. DOGGETT, for 5 minutes, today.

Mr. PALLONE, for 5 minutes, today.

Mr. FARR of California, for 5 minutes, today.

(The following Members (at the request of Mr. DUNCAN) to revise and extend their remarks and include extraneous material:)

Mr. CHAMBLISS, for 5 minutes, today.

Mr. KINGSTON, for 5 minutes, today.

Mr. HUTCHINSON, for 5 minutes, today.

Mr. HULSHOF, for 5 minutes, on October 1.

Mr. NORWOOD, for 5 minutes each day, on today, September 30, and October 1.

Mr. BILBRAY, for 5 minutes, today.

Mr. DUNCAN, for 5 minutes, today.

Mr. METCALF, for 5 minutes, today.

(The following Member (at his own request) to revise and extend his remarks and include extraneous material:)

Mr. FOX of Pennsylvania, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mr. MCNULTY) and to include extraneous matter:)

Mr. NADLER.

Mr. POSHARD.

Mr. KANJORSKI.

Mr. FROST.

Mrs. MEEK of Florida.

Mr. LAFALCE.

Mr. STARK.

Mr. LANTOS.

Mr. KIND.

(The following Members (at the request of Mr. DUNCAN) and to include extraneous matter:)

Mr. SAXTON.

Mr. FORBES.

(The following Members (at the request of Mr. SHADEGG) and to include extraneous matter:)

Ms. PELOSI.

Mrs. TAUSCHER.

Mr. KLINK.

Mr. ABERCROMBIE.

Mr. BARR of Georgia.

Mr. KUCINICH.

Mr. PACKARD.

Mr. WEYGAND.

Mr. PAYNE.

ENROLLED BILL SIGNED

Mr. THOMAS, from the Committee on House Oversight, reported that that committee had examined and found truly enrolled a bill of the House of the following title, which was thereupon signed by the Speaker:

H.R. 1420. An act to amend the National Wildlife Refuge System Administration Act of 1966 to improve the management of the National Wildlife Refuge System, and for other purposes.

SENATE ENROLLED BILL SIGNED

The SPEAKER announced his signature to an enrolled bill of the Senate of the following title:

S. 871. An act to establish the Oklahoma City National Memorial as a unit of the National Park System; to designate the Oklahoma City Memorial Trust, and for other purposes.

ADJOURNMENT

Mr. SHADEGG. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 9 o'clock and 52 minutes p.m.), under its previous order, the House adjourned until tomorrow, Tuesday, September 30, 1997, at 9 a.m. for morning hour debates.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

5215. A letter from the Administrator, Agricultural Marketing Service, transmitting the Service's final rule—Nectarines and Peaches Grown in California; Revision of Handling Requirements for Fresh Nectarines and Peaches [Docket No. FV96-916-3 FIR] received September 29, 1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

5216. A letter from the Administrator, Agricultural Marketing Service, transmitting the Service's final rule—Milk in the New Mexico-West Texas Marketing Area; Suspension of Certain Provisions of the Order [DA-97-07] received September 29, 1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

5217. A letter from the Administrator, Agricultural Marketing Service, transmitting the Service's final rule—Irish Potatoes Grown in Colorado; Change in Handling Regulation for Area No. 2 [Docket No. FV97-948-1 IFR] received September 26, 1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

5218. A letter from the Administrator, Agricultural Marketing Service, transmitting the Service's final rule—Raisins Produced From Grapes Grown in California; Suspension of Provisions Concerning Certain Offers of Reserve Raisins to Handlers for Free Use [Docket No. FV-97-989-2 FR] received September 26, 1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

5219. A letter from the Administrator, Agricultural Marketing Service, transmitting the Service's final rule—Specialty Crops; Import Regulations; Extension of Reporting Period for Peanuts Imported Under 1997 Import Quotas [Docket No. FV97-999-1 IFR] received September 26, 1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

5220. A letter from the Administrator, Agricultural Marketing Service, transmitting the Service's final rule—Almonds Grown in California; Revision to Requirments Regarding Inedible Almonds [Docket No. FV97-981-3 FIR] received September 26, 1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

5221. A letter from the Administrator, Farm Service Agency, transmitting the Agency's final rule—Tree Assistance Program [Workplan No. 97-011] (RIN: 0560-AF17) received September 29, 1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

5222. A letter from the Chief, Programs and Legislation Division, Department of the Air Force, transmitting notification that the Commander of Lackland Air Force Base, Texas, has conducted a cost comparison to reduce the cost of Kennel Management, pursuant to 10 U.S.C. 2304 nt.; to the Committee on National Security.

5223. A letter from the Chief, Programs and Legislation Division, Department of the Air Force, transmitting notification that the Commander in Chief of United States Strategic Command is initiating a cost comparison of non-military essential computer systems support functions impacting a total of 352 employees, pursuant to 10 U.S.C. 2304 nt.; to the Committee on National Security.

5224. A letter from the Acting Under Secretary (Acquisition and Technology), Department of Defense, transmitting the report to Congress for Department of Defense purchases from foreign entities in fiscal year 1996, pursuant to Public Law 104-201, section 827 (110 Stat. 2611); to the Committee on National Security.

5225. A letter from the Acting Assistant Secretary (Command, Control, Communications, and Intelligence), Department of Defense, transmitting a report on support services other than telecommunications support services provided to the White House by the Department of Defense through the White House Communications Agency for the 3rd quarter of FY 1997, pursuant to Public Law 104-201, section 912; to the Committee on National Security.

5226. A letter from the Assistant Secretary for Reserve Affairs, Department of Defense, transmitting a letter advising that the report on reserve retirement initiatives will be submitted on or about November 28, 1997, pursuant to Public Law 104-201, section 531; to the Committee on National Security.

5227. A letter from the Secretary of Defense, transmitting a report on Modification of Requirement for Conversion of Military Positions to Civilian Positions; to the Committee on National Security.

5228. A letter from the Secretary of the Treasury, transmitting the annual report on the operations of the Exchange Stabilization Fund (ESF) for fiscal year 1996, pursuant to 31 U.S.C. 5302(c)(2); to the Committee on Banking and Financial Services.

5229. A letter from the Attorney-Advisor, Federal Register Certifying Officer, Financial Management Service, transmitting the Service's final rule—Depositories and Financial Agents of the Federal Government (RIN: 1510-AA42) received August 25, 1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Banking and Financial Services.

5230. A letter from the Administrator, Health Care Financing Administration, transmitting the Administration's "Major" final rule— Medicaid Program; Coverage of Personal Care Services [MB-071-F] (RIN: 0938-AH00) received September 17, 1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

5231. A letter from the Director, Office of Congressional Affairs, Nuclear Regulatory Commission, transmitting the Commission's final rule—Enforcement Guidance Memorandum [EGM 97-015] received September 29, 1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

5232. A letter from the Secretary of Energy, transmitting the Department's Combined Thirty-sixth and Thirty-seventh Quarterly Report to Congress on the status of Exxon and Stripper Well Oil Overcharge Funds as of December 31, 1996; to the Committee on Commerce.

5233. A letter from the Deputy Secretary, Securities and Exchange Commission, transmitting the Commission's final rule—Registration under the Securities Act of 1933 of Certain Investment Company Securities [Release Nos. 33-7448, IC-22815; File No. S7-19-97] (RIN: 3235-AG73) received September 10, 1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

5234. A letter from the Secretary, Securities and Exchange Commission, transmitting

the Commission's final rule—Rule Amendments Relating to Multiple Class and Series Investment Companies [Release No. IC–22835; File No. S7–24–96] (RIN: 3235–AG72) received September 29, 1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

5235. A letter from the Assistant Secretary for Legislative Affairs, Department of State, transmitting a report on the progress made toward opening the United States Embassy in Jerusalem, pursuant to Public Law 104–45, section 6 (109 Stat. 400); to the Committee on International Relations.

5236. A letter from the Chief Counsel, Office of Foreign Assets Control, Department of the Treasury, transmitting the Department's final rule—Blocked Persons, Specially Designated Nationals, Specially Designated Terrorists, Specially Designated Narcotics Traffickers, and Blocked Vessels: Additional Designations and Removal of Two Individuals [31 CFR Chapter V] received September 9, 1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on International Relations.

5237. A letter from the Deputy Director, Russia-NIS Program Office, International Trade Administration, transmitting the Administration's final rule—Cooperative Agreement Program for American Business Centers in Russia and the New Independent States [Docket No. 970910230–7230–01] received September 17, 1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on International Relations.

5238. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of D.C. Act 12–106, "Arts and Humanities Enterprise Fund Establishment Amendment Act of 1997" received September 26, 1997, pursuant to D.C. Code section 1–233(c)(1); to the Committee on Government Reform and Oversight.

5239. A letter from the Mayor, The District of Columbia, transmitting a copy of D.C. Act 12–147, "Amended Fiscal Year 1998 Concensus Budget Request Act of 1997" received September 11, 1997, pursuant to D.C. Code section 1–233(c)(1); to the Committee on Government Reform and Oversight.

5240. A letter from the Executive Director, Committee for Purchase from People Who Are Blind or Severely Disabled, transmitting the Committee's final rule—Additions to and Deletions from the Procurement List [97–017] received September 26, 1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Government Reform and Oversight.

5241. A letter from the Assistant Secretary for Employment Standards, Department of Labor, transmitting the Department's final rule—Government Contractors, Affirmative Action Requirements, Executive Order 11246 (RIN: 1215–AA01) received August 19, 1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Government Reform and Oversight.

5242. A letter from the Deputy Associate Administrator for Acquisition Policy, General Services Administration, transmitting the Administration's final rule—Federal Acquisition Regulation; Part 15 Rewrite; Contracting by Negotiation and Competitive Range Determination (National Aeronautics and Space Administration) [FAC 97–02; FAR Case 95–029] (RIN: 9000–AH21) received September 24, 1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Government Reform and Oversight.

5243. A letter from the Chairman, Merit Systems Protection Board, transmitting the Board's report entitled "Achieving a Representative Federal Workforce: Addressing the Barriers to Hispanic Participation," pursuant to 5 U.S.C. 1204(a)(3); to the Committee on Government Reform and Oversight.

5244. A letter from the Chairman, National Transportation Safety Board, transmitting the Board's strategic plan, including mission and vision statement, goals, and an annual performance plan, pursuant to Public Law 103–62; to the Committee on Government Reform and Oversight.

5245. A letter from the Deputy Director, Office of Government Ethics, transmitting the Office's final rule—Removal of Superseded References to the Former Honorarium Ban, Revisions to Conform with Procurement Integrity Changes and Conflict-of-Interest Exemptions, and Other Updates (RINs: 3209–AA00 and 3209–AA04) received September 12, 1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Government Reform and Oversight.

5246. A letter from the Acting Director, Office of Personnel Management, transmitting the Office's final rule—Retirement, Health, and Life Insurance Coverage for Certain Employees of the District of Columbia Under the National Capital Revitalization and Self-Government Improvement Act of 1997 (RIN: 3206–AI02) received September 26, 1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Government Reform and Oversight.

5247. A letter from the Assistant Secretary, Land and Minerals Management, Department of the Interior, transmitting the annual report on royalty management and collection activities for Federal and Indian mineral leases in FY 1996, pursuant to 30 U.S.C. 237; to the Committee on Resources.

5248. A letter from the Acting Assistant Secretary for Fish and Wildlife and Parks, Department of the Interior, transmitting a draft of proposed legislation to amend the Act which established the Frederick Law Olmstead National Historic Site, in the Commonwealth of Massachusetts, by modifying the boundary; to the Committee on Resources.

5249. A letter from the Acting Assistant Secretary for Fish and Wildlife and Parks, Department of the Interior, transmitting a draft of proposed legislation to amend the Act which established the Richmond National Battlefield Park, in the Commonwealth of Virginia, by modifying the boundary; to the Committee on Resources.

5250. A letter from the Acting Assistant Secretary for Fish and Wildlife and Parks, Department of the Interior, transmitting the Department's "Major" final rule—Migratory Bird Hunting; Late Seasons and Bag and Possession Limits for Certain Migratory Game Birds (RIN: 1018–AE14) received September 26, 1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Resources.

5251. A letter from the Acting Director, Office of Sustainable Fisheries, National Oceanic and Atmospheric Administration, transmitting the Administration's final rule—Fisheries of the Exclusive Economic Zone Off Alaska; Shortraker/Rougheye Rockfish in the Eastern Regulatory Area of the Gulf of Alaska [Docket No. 961126334–7052–02; I.D. 092297D] received September 26, 1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Resources.

5252. A letter from the Secretary of the Interior, transmitting a draft of proposed legislation to establish a uniform, workable administrative process by which those States and local governments that claim R.S. 2477 rights-of-way across Federal land can have the appropriate Federal land manager make binding determinations of their existence and validity; to the Committee on Resources.

5253. A letter from the Secretary of Housing and Urban Development, transmitting the report on Loan Portfolio Valuation, pursuant to Public Law 104–134, section 31001; to the Committee on the Judiciary.

5254. A letter from the Executive Secretary, Inland Waterways Users Board, transmitting the Board's eleventh annual report of its activities; recommendations regarding construction, rehabilitation priorities and spending levels on the commercial navigational features and components of inland waterways and harbors, pursuant to Public Law 99–662, section 302(b) (100 Stat. 4111); to the Committee on Transportation and Infrastructure.

5255. A letter from the Acting Assistant Secretary of the Army (Civil Works), Department of the Army, transmitting a report entitled "Columbia River Treaty Fishing Access Sites," pursuant to Public Law 104–303, section 512; to the Committee on Transportation and Infrastructure.

5256. A letter from the Commissioner, Social Security Administration, transmitting the report on continuing disability reviews for the fiscal year 1996, pursuant to Public Law 104–121, section 103(d)(2) (110 Stat. 850); to the Committee on Ways and Means.

5257. A letter from the Commissioner, Social Security Administration, transmitting the report on options for enhancing the Social Security card, pursuant to Public Law 104–208, section 657; Public Law 104–93, section 111; jointly to the Committees on Ways and Means and the Judiciary.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. BLILEY: Committee on Commerce. H.R. 695. A bill to amend title 18, United States Code, to affirm the rights of U.S. persons to use and sell encryption and to relax export controls on encryton; with an amendment (Rept. 105–108, Pt. 5). Referred to the Committee of the Whole House on the State of the Union.

Mr. YOUNG of Alaska: Committee on Resources. H.R. 512. A bill to prohibit the expenditure of funds from the land and water conservation fund for the creation of new National Wildlife Refuges without specific authorization from Congress pursuant to a recommendation from the U.S. Fish and Wildlife Service to create the refuge (Rept. 105–276). Referred to the Committee of the Whole House on the State of the Union.

Mr. YOUNG of Alaska: Committee on Resources. H.R. 2223. A bill to assist in the conservation of coral reefs; with an amendment (Rept. 105–277). Referred to the Committee of the Whole House on the State of the Union.

Mr. YOUNG of Alaska: Committee on Resources. H.R. 1476. A bill to settle certain Miccosukee Indian land takings claims within the State of Florida (Rept. 105–278). Referred to the Committee of the Whole House on the State of the Union.

Mr. YOUNG of Alaska: Committee on Resources. H.R. 2007. A bill to amend the act that authorized the Canadian River reclamation project, TX, to direct the Secretary of the Interior to allow use of the project distribution system to transport water from sources other than the project; with an amendment (Rept. 105–279). Referred to the Committee of the Whole House on the State of the Union.

Mr. SOLOMON: Committee on Rules. House Resolution 253. Resolution providing for consideration of the resolution (H. Res. 244) demanding that the Office of the U.S. Attorney for the Central District of California file criminal charges against Hermandad Mexicana Nacional for failure to comply with a valid subpoena under the Federal Contested Elections Act (Rept. 105–280). Referred to the House Calendar.

Ms. PRYCE of Ohio: Committee on Rules. House Resolution 254. Resolution waiving points of order against the conference report to accompany the bill (H.R. 2203) making appropriations for energy and water development for the fiscal year ending September 30, 1998, and for other purposes (Rept. 105–281). Referred to the House Calendar.

Mr. DREIER: Committee on Rules. House Resolution 255. Resolution providing for consideration of the bill (H.R. 1370) to reauthorize the Export-Import Bank of the United States (Rept. 105–282). Referred to the House Calendar.

Mr. McINNIS: Committee on Rules. House Resolution 256. Resolution providing for consideration of the bill (H.R. 1127) to amend the Antiquities Act to require an Act of Congress and the concurrence of the Governor and State legislature for the establishment by the President of national monuments in excess of 5,000 acres (Rept. 105–283). Referred to the House Calendar.

Mr. KOLBE: Committee of Conference. Conference report on H.R. 2378. A bill making appropriations for the Treasury Department, the U.S. Postal Service, the Executive Office of the President, and certain independent agencies, for the fiscal year ending September 30, 1998, and for other purposes (Rept. 105–284). Ordered to be printed.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of Rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred, as follows:

By Mrs. FOWLER (for herself, Mr. COX of California, Mr. GIBBONS, Mr. GILMAN, Mr. HUNTER, Mr. SAM JOHNSON, Mr. McINTOSH, Mr. ROHRABACHER, Mr. ROYCE, Mr. SHADEGG, Mr. SMITH of New Jersey, Mr. SOLOMON, and Mr. SPENCE):

H.R. 2570. A bill to condemn those officials of the Chinese Communist Party, the Government of the People's Republic of China, and other persons who are involved in the enforcement of forced abortions by preventing such persons from entering or remaining in the United States; to the Committee on the Judiciary.

By Mr. STUMP (for himself, Mr. EVANS, Mr. STEARNS, and Mr. GUTIERREZ):

H.R. 2571. A bill to authorize major medical facility projects and major medical facility leases for the Department of Veterans Affairs for fiscal year 1998, and for other purposes; to the Committee on Veterans' Affairs.

By Mr. EVANS (for himself, Mr. KENNEDY of Massachusetts, Mr. MASCARA, Mr. RODRIGUEZ, and Mr. FILNER):

H.R. 2572. A bill to amend title 38, United States Code, to require that in the case of past-due benefits awarded an individual pursuant to a proceeding before the Secretary of Veterans Affairs, the payment of attorneys fees with respect to such award may not exceed 20 percent of the award; to the Committee on Veterans' Affairs.

By Mr. HAYWORTH:

H.R. 2573. A bill to amend the Federal Election Campaign Act of 1971 to require that a majority of the funds raised by a candidate for election to the Senate or the House of Representatives come from individuals residing in the State the candidate seeks to represent, to require labor organizations to provide their members with information on the use of member dues for political purposes, and for other purposes; to the Committee on House Oversight.

By Mr. POMEROY:

H.R. 2574. A bill to consolidate certain mineral interests in the National Grasslands in Billings County, ND, through the exchange of Federal and private mineral interests to enhance land management capabilities and environmental and wildlife protection, and for other purposes; to the Committee on Resources.

By Mr. PORTER:

H.R. 2575. A bill to suspend the duty on the 2,6-Dimethyl-m-Dioxan-4-ol Acetate until January 1, 2001; to the Committee on Ways and Means.

By Mr. PORTER:

H.R. 2576. A bill to suspend the duty on B-Bromo-B-nitrostyrene until January 1, 2001; to the Committee on Ways and Means.

By Mrs. THURMAN:

H.R. 2577. A bill to exempt certain individuals who were 65 years of age or older as of the date of the enactment of the Omnibus Budget Reconciliation Act of 1993 from changes made by the act in the Medicare secondary payer rules for individuals with end stage renal disease; to the Committee on Ways and Means, and in addition to the Committee on Commerce, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. ARMEY:

H. Res. 249. Resolution designating Majority membership on certain standing committees of the House; considered and agreed to.

By Mr. FAZIO of California:

H. Res. 250. Resolution designating Minority membership on certain standing committees of the House; considered and agreed to.

By Mr. FARR of California (for himself, Mr. PORTER, Mr. GEJDENSON, and Mr. GILCHREST):

H. Res. 251. Resolution expressing support for the goals of America Recycles Day; to the Committee on Commerce.

By Mr. ROHRABACHER (for himself, Mr. SOLOMON, Mr. COX of California, Mr. SMITH of New Jersey, and Mr. ROYCE):

H. Res. 252. Resolution urging the President to make clear to the People's Republic of China the commitment of the American people to security and democracy on the Republic of China on Taiwan; to the Committee on International Relations.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

209. The SPEAKER presented a memorial of the House of Representatives of the State of Missouri, relative to House Concurrent Resolution No. 23 advising and strongly urging the EPA to retain the existing NAAQS for ozone; to the Committee on Commerce.

210. Also, a memorial of the House of Representatives of the State of Louisiana, relative to House Resolution No. 120 urging and requesting the Congress of the United States to propose an amendment to the Constitution of the United States for ratification, for submission to the states, to provide for election of members of the federal judiciary; to the Committee on the Judiciary.

211. Also, a memorial of the Legislature of the State of Oregon, relative to House Bill 3640 requesting that the Federal Government honor the Federal Government's original mandate to implement and complete the cleanup and restoration of the Hanford Nuclear Reservation; jointly to the Committees on National Security and Commerce.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 26: Mr. GIBBONS.

H.R. 135: Mr. PRICE of North Carolina.

H.R. 250: Mr. FOLEY.

H.R. 345: Mr. SALMON.

H.R. 367: Mrs. MYRICK.

H.R. 610: Mr. SAWYER.

H.R. 754: Mrs. LOWEY.

H.R. 778: Mr. FATTAH.

H.R. 779: Mr. FATTAH.

H.R. 780: Mr. FATTAH.

H.R. 991: Mr. ABERCROMBIE and Mr. DINGELL.

H.R. 992: Mr. HOLDEN.

H.R. 1114: Mr. PAXON, Mr. REDMOND, Mr. WATTS of Oklahoma, Mr. SHAYS, and Mr. WELDON of Pennsylvania.

H.R. 1371: Mr. WELDON of Florida.

H.R. 1507: Mr. STARK, Mr. PALLONE, and Mr. ROEMER.

H.R. 1531: Ms. ROS-LEHTINEN.

H.R. 1631: Mr. FRANK of Massachusetts.

H.R. 1704: Mr. GOODE.

H.R. 1710: Mr. FAWELL, Mr. ADERHOLT, Mr. CANNON, Mr. WAMP, and Mr. MATSUI.

H.R. 1711: Mr. COOKSEY, Ms. DANNER, Mr. GOODLATTE, Mr. HEFLEY, Mr. McCRERY, Mr. MORAN of Kansas, and Mr. SANDLIN.

H.R. 1842: Mr. YOUNG of Alaska, Mr. CUNNINGHAM, and Mr. SESSIONS.

H.R. 2009: Mr. HOLDEN, Mr. COYNE, Mr. SAXTON, and Mr. GREENWOOD.

H.R. 2090: Mrs. KENNELLY of Connecticut, Mr. FRANK of Massachusetts, Mr. TORRES, Mr. WEYGAND, Mr. BERMAN, Mr. ROTHMAN, Mr. MATSUI Mr. LAFALCE Mr. KUCINICH Mr. WATTS of Oklahoma, and Ms. CHRISTIAN-GREEN.

H.R. 2110: Mr. RUSH.

H.R. 2183: Mr. HORN.

H.R. 2200: Mr. LEWIS of Georgia

H.R. 2221: Mr. BOEHNER.

H.R. 2250: Mr. CLYBURN, Mr. SCARBOROUGH, and Mr. MANZULLO.

H.R. 2273: Mr. BLUMENAUER and Mr. PICKETT.

H.R. 2382: Mr. FROST and Ms. FURSE.

H.R. 2383: Mr. HOEKSTRA.

H.R. 2409: Mr. ACKERMAN, Ms. LOFGREN, and Mr. SKEEN.

H.R. 2424: Mr. HERGER, Mrs. MYRICK, and Mr. FARR of California.

H.R. 2434: Mr. FILNER, Mr. STRICKLAND, and Mr. THOMPSON.

H.R. 2454: Mr. McNULTY, Mr. FILNER, Ms. STABENOW, and Mr. COSTELLO.

H.R. 2456: Mr. LOBIONDO, Mr. MINGE, and Mr. TAYLOR of North Carolina.

H.R. 2457: Mr. McNULTY, Mr. GUTIERREZ, Ms. KAPTUR, and Mr. FILNER.

H.R. 2460: Mr. WYNN.

H.R. 2476: Mr. THOMPSON, Mr. McNULTY, and Mr. KENNEDY of Massachusetts.

H.R. 2488: Ms. STABENOW and Mr. GRAHAM.

H.R. 2497: Mr. CAMPBELL, Mr. CANADY of Florida, Mr. TAYLOR of North Carolina, Mr. WATTS of Oklahoma, Mr. SMITH of New Jersey, Mr. GOSS, Mr. WATKINS, Mr. DUNCAN, Mrs. EMERSON, Mrs. FOWLER, Mr. LATOURETTE, Mr. MORAN of Kansas, Mr. TRAFICANT, Mr. PAXON, Mr. BUNNING of Kentucky, Mr. PORTER, Mr. CALLAHAN, Mrs. NORTHUP, Mr. COX of California, Mr. HASTERT, Mr. HULSHOF, Ms. DUNN of Washington, Mr. SOLOMON, Ms. PRYCE of Ohio, Mr. FRELINGHUYSEN, Mr. FOX of Pennsylvania, Mr. SNOWBARGER, Mr. BASS, Mr. GRAHAM, Mr. SHAYS, Mr. MCCOLLUM, Mr. PETERSON of Pennsylvania, Mr. DAVIS of Virginia, Mr. EHLERS, and Mr. GOODE.

H.R. 2503: Mr. POSHARD, Mr. ACKERMAN, Mr. MARTINEZ, and Mr. DAVIS of Virginia.

H.R. 2526: Mr. FROST, Mr. TALENT, Mr. GOSS, Mr. UNDERWOOD, Mr. MCDERMOTT, and Mr. SKEEN.

H.R. 2535: Mr. BALLENGER, Mr. CASTLE, and Mr. WATTS of Oklahoma.

H.R. 2554: Mr. KENNEDY of Massachusetts.

H.R. 2568: Mr. OXLEY, Mr. PETERSON of Minnesota, and Mr. TALENT.

H.J. Res. 84: Mr. SHADEGG.

H. Con. Res. 38: Mr. SHAYS.

H. Con. Res. 68: Ms. KAPTUR.

H. Con. Res. 80: Mr. WALSH.

H. Con. Res. 114: Ms. STABENOW.

H. Con. Res. 158: Mr. BARCIA of Michigan.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the clerk's desk and referred as follows:

22. The SPEAKER presented a petition of the Louisiana Municipal Association, relative to a resolution memorializing the Congress of the United States to act to grant to the states the authority needed to enforce the collection of sales taxes on interstate catalog sales; to the Committee on the Judiciary.

23. Also, a petition of Gregory D. Watson of Austin, Texas, relative to bringing to the attention of Congress a significant correction as to the sequence of events leading to the 1992 ratification of the 27th article of amendment to the United States Constitution, and referencing action taken by the General Assembly of the Commonwealth of Kentucky two centuries earlier in the year 1792; to the Committee on the Judiciary.

24. Also, a petition of the County of Los Angeles, Board of Supervisors, relative to requesting that Federal and State legislation be enacted to allow men and women from the military to obtain credit for their training so that their skills are transferable to the private sector and to other government agencies; to the Committee on Veterans' Affairs.

DISCHARGE PETITIONS—ADDITIONS OR DELETIONS

[Omitted from the Record of September 26, 1997]

The following Members added their names to the following discharge petitions:

Petition 1 by Mr. YATES on House Resolution 141: Peter A. Fazio, Sam Gejdenson, Anna G. Eshoo, Walter H. Capps, Charles B. Rangle.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. 901

OFFERED BY: MR. VENTO

AMENDMENT NO. 51: Page 10, line 15, Following the word "special" insert the following: ", including commercial,"

EXTENSIONS OF REMARKS

THE DISTINGUISHED SERVICE OF THE "SS STEPHEN HOPKINS"

HON. NANCY PELOSI

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, September 29, 1997

Ms. PELOSI. Mr. Speaker, I rise today to honor the memory of the distinguished service of the SS *Stephen Hopkins*, an American merchant vessel, who sailed during World War II.

The SS *Hopkins* holds a unique distinction in U.S. merchant marine history. On Saturday, September 27 the city and county of San Francisco will observe SS *Stephen Hopkins* Day and the 55th anniversary of the only American Ship to sink a German Navy Surface Warship.

The *Hopkins* sailed out of her home port in San Francisco on April 14, 1942. On September 17, 1942, during her maiden voyage in the South Atlantic Sea the *Hopkins* and her crew waged a courageous battle against two heavily armed German vessels. This battle earned the *Hopkins* the citation of U.S. Government *Gallant Ship*. Her citation inscription recounts the events of that fateful day when, "Two enemy raiders suddenly appeared out of the morning mist to attack her. The lightly armed merchantmen exchanged shot for shot with the enemy raiders, sinking one and setting the other a fire. The stark courage of her crew in their heroic stand against overpowering odds caused her name to be perpetuated as a Gallant Ship." The *Hopkins* was lost as a result of that valiant battle after sustaining destroyed engines, exploded boilers, and catching fire from stem to stern. Only 15 of the 19 surviving crew survived the 31-day lifeboat trip which brought them to safety in Brazil.

Mr. Speaker on behalf of the Congress, let us join the veteran merchant mariners and San Francisco community in commemorating the service of SS *Stephen Hopkins* and the brave crew who sailed her into history.

THE 50TH WEDDING ANNIVERSARY OF KURT AND ELIZABETH BOOTH, OCTOBER 4, 1997

HON. JIM SAXTON

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Monday, September 29, 1997

Mr. SAXTON. Mr. Speaker, it is my distinct privilege and honor to pay tribute to Kurt and Elizabeth Booth of Lacey Township, NJ. On October 4, 1997, Mr. and Mrs. Booth will celebrate their 50th wedding anniversary.

Kurt Booth was born in Elizabeth, NJ on March 23, 1927. After graduating from Thomas Jefferson High School in 1944, he enlisted in the U.S. Marine Corps. During his service as a marine, Kurt did a tour of duty in World War II's Pacific campaign and did occupation duty in Japan. He was discharged from the Marine Corps on August 21, 1946.

Elizabeth Mazur was born in Carteret, NJ. She moved with her family to New Castle, NY, and then moved back to Rahway, NJ, where she graduated from high school in 1946.

The couple met in November of 1946 at the Twin City Roller Skating Rink, while Kurt was employed as a postal worker in Elizabeth. On Valentine's Day 1947, they were engaged and on October 4, 1947 they were married at the Russian Orthodox Church in Rahway.

They moved to Lacey Township in October of 1975 and have lived there ever since. Kurt was employed as an electrical contractor with offices in Lacey and Woodbridge, NJ. Since his retirement in 1992, Kurt has worked part time as a photographer with Ocean County, NJ. Kurt Booth served as chairman of the Chairman's Ball Ad Journal for 6 years and co-chairman of the Ocean County Candidates Ad Journal for 12 years. Kurt was also the designer of the journals and most of their ads as well as a very effective fund raiser for the party.

Kurt and Elizabeth have a son, Professor Kenneth Kurt Booth, who spent 14 years in South Africa teaching people how to provide veterinary care to animals in the community. He now resides in the United States with his three children.

Mr. Speaker, Mr. and Mrs. Booth's commitment to each other, illustrated by their 50 years together, is a testament to their characters. Not only have they enriched the lives of those they have come into direct contact with, but they have displayed immense leadership in their community, State, and country. It is with great pleasure that I recognize this couple on this special occasion.

DEPARTMENTS OF COMMERCE, JUSTICE, AND STATE, THE JUDICIARY, AND RELATED AGENCIES APPROPRIATIONS ACT, 1998

SPEECH OF

HON. NEIL ABERCROMBIE

OF HAWAII

IN THE HOUSE OF REPRESENTATIVES

Friday, September 26, 1997

The House in Committee of the Whole House on the State of the Union had under consideration the bill (H.R. 2267) making appropriations for the Departments of Commerce, Justice, and State, the Judiciary, and related agencies for the fiscal year ending September 30, 1998, and for other purposes:

Mr. ABERCROMBIE. Mr. Chairman, I rise in support of the Miller language adopted into H.R. 2267, the Departments of Commerce, Justice and State appropriations bill. These instructions will set aside a small amount of funding for the Executive Office of U.S. Attorneys to provide assistance to the victims of human rights abuses in the Commonwealth of the Northern Marianas Islands.

Since at least 1984, Federal officials have expressed concern about the CNMI alien labor system. Worker complaints over wages and working conditions are continuing undiminished according to the third annual report of the Federal-CNMI Initiative. The Governments of the Philippines and China have expressed concerns about the treatment of their citizens in this U.S. Commonwealth and allegations persist regarding the CNMI's inability to protect workers against crimes such as illegal recruitment, battery, rape, child labor, and forced prostitution.

Without Representative MILLER'S language in H.R. 2267, individuals who have been the subject of human rights abuses—right here in the United States—have only the charity of private relief organizations to rely upon for help. In Hawaii, the Filipino Solidarity Coalition is currently providing sanctuary to a young girl named Katrina who came to Hawaii as a Government witness. When Katrina was 14 she was brought to the CNMI by an employer who promised her a good job and fair wages in the restaurant industry. When she arrived in the CNMI her hopes for a better life were destroyed. She discovered that the employer had lured her to the CNMI under false pretenses. Not only was she confined to her assigned living quarters but she was also forced into service as a prostitute. Katrina had few options and even less money but she escaped her confines and filed suit against her employer with the help of the local Philippine consulate. When Katrina's actions were revealed to her employer, her life was threatened. To escape the abusive situation, the consulate helped her to find refuge in Guam. However, Guam's close proximity to her former employer still put Katrina in a dangerous situation.

Through the help of the Filipino Solidarity Coalition, Katrina managed to escape to Hawaii where local donations and a small grant from the Department of Labor helped to provide her shelter, food, and further legal assistance. However, there are many others who remain in the CNMI still suffering the abuse and indignity that Katrina managed to escape. I appreciate the Chairman's support of the Miller language which will help those like Katrina who are victims of human rights abuse, not faraway in a foreign country, but right here in the United States of America.

A TRIBUTE TO REV. RICHARD J. LEHMAN, PASTOR OF THE CONGREGATIONAL UNITED CHURCH OF CHRIST

HON. MICHAEL P. FORBES

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, September 29, 1997

Mr. FORBES. Mr. Speaker, I rise today to pay tribute to Rev. Richard J. Lehman, pastor of the Congregational United Church of Christ, in Farmingville, Long Island, who this Sunday will celebrate the 50th anniversary of his ordination.

Along with the golden anniversary of his ordination in 1947, Reverend Lehman will also mark two other important milestones this Sunday: he and his congregants will celebrate the 25th anniversary of his pastorship of the Congregational United Church of Christ, on the same day as his 75th birthday.

A truly gifted and dedicated professional, Reverend Lehman has built a proud legacy of service to the spiritual needs of his congregants. This Sunday, September 28, 1997, the Congregational United Church of Christ community will join in praising his outstanding life of service with a special festival service. Friends, family, and colleagues will come from across Long Island, 13 States, Australia, and England to honor the lifetime of service to the church.

Throughout his 50-year career, Reverend Lehman has dedicated his time, energy, and talents to his alternate calling: educating ministers, rabbis, priests, and seminarians in the skills of pastoral care to the sick. Upon graduating from Oberlin Graduate School of Theology, Reverend Lehman was assigned to his first church in Elyria, OH. It was there that he began his training in clinical pastoral education, completing a 2-year residency at University Hospital in Ann Arbor.

For the next 40 years, Reverend Lehman was employed by the New York State Department of Mental Hygiene, teaching clinical pastoral education to clergy and seminarians at two psychiatric hospitals, the first in Gowanda, NY. Then in 1967, Reverend Lehman arrived at Central Islip Psychiatric Center, on Long Island. During his teaching career, Reverend Lehman trained more than 600 clergy and seminarians for careers in pastoral care.

Though retired from Central Islip Psychiatric Center, Reverend Lehman still serves as pastor of the Congregational United Church of Christ. Reverend Lehman married his first wife, Priscilla, while living in Gowanda, and they had two children, Nancy and Thomas. Priscilla Lehman succumbed to cancer in 1989, and he eventually married again, to longtime family friend, Marilyn Birkmann Blume.

Mr. Speaker, I ask my colleagues in the House of Representatives to join me in honoring Rev. Richard J. Lehman for his remarkable lifetime of service to God and man. Through the Grace of God, our Long Island community has been truly blessed with the ministry of this gifted and spiritual man.

SUPPORT OF THE INTERFAITH ASSEMBLY ON HOMELESSNESS AND HOUSING ON OCCASION OF ITS 10TH ANNIVERSARY

HON. JERROLD NADLER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, September 29, 1997

Mr. NADLER. Mr. Speaker, I rise today in recognition of the Interfaith Assembly on Homelessness and Housing on occasion of its 10th anniversary.

For 10 years now the Interfaith Assembly on Homelessness and Housing has served the homeless of New York City with sensitivity and understanding. This coalition has reached out to those in our society who are without shelter and offered a helping hand. Whether helping individuals rebuild their lives through the Speakers' Bureau and Project Success Program or tirelessly advocating for public policy that maintains decent and affordable housing for all New Yorkers, the Interfaith Assembly on Homelessness and Housing has provided the city of New York with a valuable service that we all ought to recognize and acknowledge.

Mr. Speaker, I rise to commend the Interfaith Assembly on Homelessness and Housing for its dedication to the homeless, its fight for affordable housing, and its ability to effect change in a city that desperately needs it. Through testimonials that have touched the hearts of many and raised the consciousness of many more, this broad and diverse coalition, which includes a wide range of religious organizations throughout the city, ought to be proud of the work they have done to spread compassion and serve others.

As we all know, there is a lot more that we must do to end homelessness in New York and across America. I look forward to working closely with members of this coalition in the battles ahead, and sincerely hope that our efforts will one day be unnecessary as our society comes to recognize that decent affordable housing is a right we all deserve.

TRIBUTE TO THE ANTIOCH BABE RUTH ALL STAR TEAM

HON. ELLEN O. TAUSCHER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, September 29, 1997

Mrs. TAUSCHER. Mr. Speaker, I rise today to celebrate the championship victory of the Antioch All Star Team on Saturday, August 17, 1997, at the 16–18 Babe Ruth World Series. The city of Antioch, which is in my district, recently celebrated their homecoming with a parade through the city and a civic celebration at city hall. The accomplishments of these fine young men are a great honor to the city of Antioch.

The 16–18 Babe Ruth World Series was held in Jamestown, NY, where the players from Antioch competed against other such teams from around the Nation. Throughout the 1-week tournament, the team exhibited a true show of perseverance and a dedication to excellence. They managed to come from behind in several of their games, proving to the other teams that they would not give up. These athletes were not only dedicated to winning the game, but also dedicated to each other. The players from Antioch practiced long and hard to earn the right to play for the national championship, and through their hard work on the field and their commitment to teamwork, they rose from underdogs at the beginning of the series to the champions on the final day.

It is wonderful to see such positive support from the community for this talented and dedicated group of East Bay teens. They show us that when we bestow our faith in our children, they can truly achieve excellence.

The Antioch Babe Ruth All Star Team is deserving of the honor as the best 16–18 Babe Ruth League team in the country. These ballplayers are an excellent example of the kinds of things that young people in our communities can achieve. I hope you will join me in congratulating them for their achievement and their ambition.

HONORING CAPTAIN NIKOLAOS FRANGOS

HON. RON KLINK

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, September 29, 1997

Mr. KLINK. Mr. Speaker, I rise today to honor the 1997 Hellenic Chamber of Commerce "Man of the Year Award" recipient, Capt. Nikolaos Frangos. Born in the town of Kardamyla on the island of Chios, Nikolaos's family was no stranger to the maritime merchants trade. Today, he is the owner of one of the largest dry bulk shipping fleets in the world. His shipping enterprise has grown to over 3,000 crew members and shore-based employees.

Captain Frangos has provided a great service to people throughout the world. During the gulf war he assisted the United States by shipping much needed supplies to our troops based in the Middle East. He is a gentleman worthy of the distinction of the Hellenic American man of the year. His accomplishments outside the shipping industry include his membership to the governing board of the Orphanage of Vouliagmeni and his membership to the Leadership-100 of the Archdiocese of America.

It is with great pride and honor that I urge my colleagues to rise and honor the life and contribution of Capt. Nikolaos Frangos and his wonderful family including his wife Stella and his children Angeliki, John, and Maria. His devotion to his family, his country, and the world are truly admirable.

BEST WISHES TOMMY AMAKER

HON. DONALD M. PAYNE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Monday, September 29, 1997

Mr. PAYNE. Mr. Speaker, on Tuesday, September 30, a reception will be held for Harold Tommy Amaker in New Jersey. Tommy

Amaker is Seton Hall University's (SHU) first African-American men's basketball head coach. He is also the youngest coach in the Big East Conference, one of the top basketball conferences.

Mr. Speaker, I am a proud alumnus of Seton Hall University and my level of pride keeps going up when things like this happen. I was an SHU student when the great Seton Hall team in 1953 won the National Invitational Tournament (NIT). It was the premiere collegiate championship tournament. The Seton Hall team was led by Walter Dukes and Richie Regan. Richie Regan continues to serve the University as the Pirate Blue chairman. The Pirate Blue is an athletic fund raising group at Seton Hall.

I want to applaud Monsignor Robert Sheeran, president of SHU, who used personal leadership to recruit SHU's first African-American basketball coach. I would also like to commend Philip Thigpen, former national middle distance champ in the 50's, for his leadership in assembling a group of African-American alumni of SHU and its School of Law to host this reception.

Tommy Amaker and his challenge to return SHU to championship status have brought excitement. On March 20 he was named the coach of SHU men's basketball team. Prior to this position he had served the Duke University basketball team for 13 years—4 as a player and 9 as an assistant coach. During his tenure he became the top recruiter for Duke's Blue Devils where he helped land highly-touted Shane Battier, a 6-foot-8 forward from Michigan; Jeff Capel, a current Duke guard, and Grant Hill, now of the Detroit Pistons. Amaker captained Duke as a senior and earned All-American honors. He received the Henry Iba Corinthian Award in 1987 as the Nation's best defensive player. In 1986 during the Final Four, he had the most steals, seven.

Academics are just as important to Tommy Amaker as are sports. He received a B.A. degree in Economics from Duke in 1987 and was drafted by the NBA's Seattle SuperSonics. After being cut in training camp, he returned to Duke as a management intern with the university administration for 1 year before enrolling in the Fuqua School of Business. He served as a graduate assistant while studying in the business school in 1988–89. He is a fine student and teacher of the game. He also has been successful in forming the Tommy Amaker Basketball Academy, a summer day camp for youth.

Mr. Speaker, I am sure my colleagues will join me as I extend best wishes to Tommy Amaker and his wife, Stephanie, as they undertake successful careers in the great State of New Jersey.

TRIBUTE TO DEKERRIAN WARE

HON. MARTIN FROST

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, September 29, 1997

Mr. FROST. Mr. Speaker, I rise to honor Dekerrian Ware, the 1997–98 national poster child for sickle cell disease and a student in my congressional district. Dekerrian is 8 years old, and is a third grade honor student at David K. Sellars Elementary School in Fort Worth, TX.

Dekerrian is as active as most boys are his age by playing football, basketball, riding his bicycle, and keeping busy with his church activities. But because of sickle cell disease, there are times when he is too sick to do the things you and I take for granted.

Dekerrian, however, is a young man filled with strength and determination, and I believe that he will be able to achieve anything he sets out to do. Dekerrian is a true champion in life and in school as he copes with this genetic blood disease which has no cure.

Mr. Speaker, September is National Sickle Cell Disease Awareness Month and there is still much to do in combating this disease. Sickle cell anemia, the most common form of the disease, affects 1 in 500 African-Americans, or about 72,000 Americans.

All newborn babies should be tested for sickle cell, because all forms of sickle cell disease are inherited. Children inherit genes for the disease from their parents, and we need to encourage everyone to learn more about sickle cell disease.

Dekerrian is a true hero to all of us who are fighting sickle cell, and an inspiration to those who confront this illness.

ROLLCALL VOTES 457, 458, AND 459

HON. ROBERT A. WEYGAND

OF RHODE ISLAND

IN THE HOUSE OF REPRESENTATIVES

Monday, September 29, 1997

Mr. WEYGAND. Mr. Speaker, on September 26, 1997, I was unavoidably detained and was not, therefore, able to vote on rollcall votes 457, 458, and 459. Had I been able to vote, I would have voted "yea" 457 and "nay" on rollcall votes 458 and 459.

During that time, Secretary of Defense Cohen and Assistant Secretary of the Navy Douglas, were visiting my district to tour Electric Boat and the Naval Undersea Warfare Center and to discuss current Defense appropriations and proposals that will affect national security.

Due to that visit, I missed votes on amendments concerning State Department appropriations. As we move to complete work on the Commerce, Justice, State appropriations bill, it is critical that we address concerns regarding the use of those funds by the State Department.

The Bartlett amendment, rollcall vote 458, would reduce payments made by the State Department to the United Nations, which is in the process of reforming itself; we should not take action that may prevent that reform.

I believe it is in our Nation's best interest to continue participation in the activities of the United Nations and we must do so in good faith, and that means making good on our financial obligations.

The Gilman amendment, rollcall vote 457, will withhold 2 percent of the State Department's salaries and expenses budget until the Department complies with the provisions of the 1996 terrorism bill. It is my hope that the Gilman amendment will encourage the Department to conform. We must ensure that the State Department is following the intent of the 1996 terrorism bill and designates foreign terrorists.

ADDRESS OF REYNOLD LEVY, PRESIDENT OF THE INTERNATIONAL RESCUE COMMITTEE, AT THE EXHIBIT IN BUDAPEST ON THE LIFE AND WORK OF VARIAN FRY

HON. TOM LANTOS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, September 29, 1997

Mr. LANTOS. Mr. Speaker, I call the attention of my colleagues to an excellent address given earlier this month in Budapest, Hungary, at the opening of an exhibit on the Life and Work of Varian Fry by Mr. Reynold Levy, the new President of the International Rescue Committee. I am asking that Mr. Levy's address be placed in the Record.

Mr. Speaker, on July 1st of this year, Mr. Levy assumed the position of President of the International Rescue Committee (IRC). This organization was founded over half a century ago by a number of distinguished Americans in an effort to help mitigate the tragedy of dislocation and destruction which accompanied World War II. Since its founding the IRC has been one of the leading organizations in the world in helping to deal with the problem of refugees and those seeking political asylum, and the organization has been a major provider of and advocate for humanitarian assistance.

It is most appropriate that one of the first public responsibilities of Mr. Levy as the new president of the IRC was to speak at an exhibit honoring the activities of Varian Fry. Mr. Fry was designated by the IRC to go to France in 1940 in an effort supported by the United States government to bring to the United States 200 prominent Jewish intellectuals—writers, scientists, academics, journalists, historians, musicians, opposition political leaders, and others—who were in southern France, having fled the advancing Nazi forces and were seeking to escape. In recognition of Varian Fry's outstanding efforts in Europe in 1940 with the IRC, he is the only American who has received the honor "Righteous Among the Nations" from Yad Vashem, the Israeli memorial to Holocaust victims, for risking his own life to save the lives of Jews during the Holocaust.

Mr. Levy is a graduate of Hobart College, and he holds a Ph.D. in government and foreign affairs from the University of Virginia and a degree in law from Columbia University. His distinguished career includes a period of service as Executive Director of the 92nd Street Y, a leading cultural, educational and social service institution on Manhattan's upper east side. He later was a senior officer of AT&T Corporation, serving first as founder and chief executive officer of the AT&T Foundation, and later as Corporate Vice President, and Managing Director of International Public Affairs. After leaving his position at AT&T, he spent a nine-month sabbatical writing two books—one on

the exercise of corporate and social responsibility and the other on what he sees as a renaissance in American philanthropy.

Mr. Speaker, I ask that Mr. Levy's address at the opening of the exhibit in Budapest, Hungary, on the Life and Work of Varian Fry be placed in the RECORD. I urge my colleagues to carefully consider the thoughts of Reynold Levy, a distinguished American philanthropist and humanitarian.

REMARKS OF REYNOLD LEVY

Congressman Lantos and Mrs. Lantos, Ambassador and Mrs. Blinken, distinguished guests.

As President of the International Rescue Committee, I'd like to accomplish two objectives with some brief remarks.

My first objective is to explain why it is important to remember Varian Fry's life and work. A very distinguished Board member colleague of Congressman Lantos and Mrs. Blinken, Elie Wiesel, explains the matter definitively in this passage from his book *All Rivers to the Sea*.

"Memory is a passion no less powerful or pervasive than love. What does it mean to remember? It is to live in more than one world, to prevent the past from fading and to call up the future to illuminate it. It is to revive fragments of existence, to rescue lost beings, to cast light on faces and events and to drive back the sands that cover the surface of things, to combat oblivion and to reject death."

In recognizing Varian Fry we "Rescue a lost being . . . and drive back the sands that cover the surface of things."

My second objective is to offer a perspective on Fry's legacy.

For his heroic work and that of the Emergency Rescue Committee did not end with his expulsion from France in 1941. It continues to this day through the ERC's successor organization, the International Rescue Committee. It has, to its credit, over 56 years of unbroken service to refugees and victims of oppression.

With the end of World War II and the defeat of fascism, the IRC assisted hundreds of thousands of displaced persons in Europe to re-build their shattered lives. Many came to the United States and were helped by the IRC to resettle and to become self-sufficient citizens in their new country.

The Iron Curtain that fell across Europe after the war produced a whole new set of refugees—those fleeing Stalin's dictatorship in the Soviet Union and the countries of Eastern Europe that had fallen under communist domination, not least the wonderful country of Hungary. The IRC, following in the steps of Varian Fry, was there to rescue them in flight, including, of course, tens of thousands of Hungarians.

Since the fall of the Berlin wall, the IRC has been involved in every major refugee crisis up to this day—making it the largest non-sectarian refugee relief organization in the world. Rescue teams are now at work in Bosnia, in Rwanda, in Cambodia and in 20 more countries, bringing life-saving humanitarian aid, medical care, shelter and education to well over a million refugees. In addition, the IRC continues to resettle large numbers of political refugees coming to the United States. And, the IRC remains a strong voice advocating for refugees, their rights and their needs.

This, then is a powerful legacy of Varian Fry. His heroic exploits are the inspiration for the International Rescue Committee in its world-wide efforts to bring help, aid and comfort to the world's refugees. His light, which shone so dimly in the Hotel Splendide and on the rue Grignan, shines brightly today, relieving human suffering and providing refuge to so many who seek freedom and protection from a well-founded fear of persecution.

I thank you for being here today to pay tribute to a selfless hero whose rescue of endangered lives inspires so many of my colleagues at the International Rescue Committee. Each of us endeavors to honor in our work his resourcefulness, courage and fortitude.

TRIBUTE TO HOWARD METZENBAUM

HON. DENNIS J. KUCINICH

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, September 29, 1997

Mr. KUCINICH. Mr. Speaker, I rise today to honor the legacy of Howard Metzenbaum, former Senator from the State of Ohio. Howard Metzenbaum was a giant who strode across the political landscape of Ohio for five decades. Some called him a rabble-rouster with a fierce independent streak. The Washington Post called him "an uncompromising, indefatigable and often irascible champion of liberal causes." I always found him to be an inspiration, a breath of fresh air who was willing to do whatever necessary to defend the interests of working people.

Howard Metzenbaum had a remarkably varied career. After graduating from law school in 1941, he became a labor lawyer in Cleveland and then the very successful owner of a string of parking lots. He started one of the Nation's first car rental companies, now known as Avis. In 1949, as a member of the Ohio Senate, he won passage of legislation regulating consumer credit. After several attempts, he won a seat in the U.S. Senate in 1976, starting an 18-year career that placed him at the forefront of some of the most important issues of our time. It was Senator Howard Metzenbaum who championed plant closing legislation and got the Worker Adjustment and Retraining Notification [WARN] Act passed over the President's veto. He was a vocal opponent of corporate welfare before such opposition became fashionable. When he retired in 1994, Democrats and Republicans alike hailed him as the conscience of the U.S. Senate.

It is a fitting tribute to Senator Howard Metzenbaum that the Federal Courthouse at Public Square and Superior in Cleveland bear his name. The courthouse is a symbol of justice, and Howard Metzenbaum built his career on fighting for justice, fairness, and dignity for all citizens. I commend this bill to my fellow Members of Congress and urge its passage.

MAX BARTIKOWSKY HONORED BY JEWISH COMMUNITY CENTER

HON. PAUL E. KANJORSKI

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, September 29, 1997

Mr. KANJORSKI. Mr. Speaker, I am pleased to have the opportunity to pay tribute today to a businessman and community leader from my congressional district, Mr. Max Bartikowsky. Next month the Jewish Community Center will honor Max at a surprise brunch. I am proud to have been asked to participate in this event.

Max is the owner of one of Wilkes-Barre's finest retailers, Bartikowsky Jewelers. The store has been an institution in downtown Wilkes-Barre ever since Max's grandfather emigrated from Poland and founded the store 100 years ago. While other stores have fled for suburban shopping malls, it is a testament to Max's commitment to Wilkes-Barre that his store has remained as a cornerstone of downtown.

The business has always been an extension of the Bartikowsky family's commitment to civic involvement by being a key supporter of the United Way, Northeast Philharmonic, American Heart Association, Hospice St. John, the Diabetes Association, Children's Miracle Network, and the city of Wilkes-Barre fire and police departments, Max has built on and continued the family's tradition both personally and professionally.

Max's personal community activities also fill a long list. He is an active supporter of Wyoming Seminary, a prestigious local educational institution. Along with Wyoming Seminary, Max is also involved in supporting the Rose Brader Clinic where he was named person of the year in 1991. He has also been a strong supporter of Penn State University and has been active in the Knights of Saber, Wilkes-Barre Lions. His personal dedication to the Jewish Community Center is also well known.

Mr. Speaker, I am proud to join with the members of the Jewish Community Center to recognize and pay tribute to an amazing and generous individual. I send my best wishes as the JCC honors one of its most distinguished and dedicated leaders.

CAMPAIGN FINANCE REFORM

HON. RON KIND

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Monday, September 29, 1997

Mr. KIND. Mr. Speaker, for those who are interested in passing legislation in Congress that will fix the broken campaign finance system, there appears to be good news on the horizon. Last week the U.S. Senate began debate on the McCain-Feingold campaign finance reform bill.

In this House the future of campaign finance reform is not so clear. The leadership in the House has offered conflicting opinions on whether or not they will allow a debate on this issue.

Many Members have been pressuring the House leaders to schedule consideration of any one of the reform bills currently pending in Congress. I have been making a daily statement on the floor of the House demanding a vote on finance reform. It is my hope that these combined efforts, and the pressure being put on Members of Congress by the public, will force the leadership to reconsider their opposition to debate on a bill.

However, my greatest fear is not that we won't get a vote, but that we will get a campaign finance reform bill containing a poison pill that will doom the legislation.

The Republican leadership would like nothing better than to pass a campaign finance bill containing a poison pill that would force a veto by the President. That way the Republicans get political credit for passing a campaign finance reform bill while knowing full well that the bill will never become law.

This works if you are satisfied with the status quo, and many Members of Congress are satisfied with the current system. It got them elected, so why change it to give their opponents a chance to defeat them.

That approach may serve the self-interests of the Members of this House, but it would be an injustice to the people we represent. If we are going to actually see real reform, the next few days are crucial. I hope the leadership in the House of Representatives will see the wisdom of cleaning up the political process by passing meaningful campaign finance reform legislation.

OPPORTUNITY SCHOLARSHIPS

HON. RON PACKARD

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, September 29, 1997

Mr. PACKARD. Mr. Speaker, I rise today to urge my colleagues to support educational freedom for the children of Washington, DC. By providing parents a choice in education, kids in the District of Columbia can be rescued from drug-infested, run down schools.

The fiscal year 1998 District of Columbia appropriations bill contains a provision to allow parents in Washington, DC, to choose schools for their children with the help of opportunity scholarships. Sadly, President Clinton has threatened to veto this legislation if opportunity scholarships are included in the bill.

Today, thousands of children in this city are literally being robbed of their futures because this administration and congressional Democrats are afraid to anger powerful labor unions who support the status quo. Mr. Speaker, this is no longer about conservative versus liberal values—the parents of this city's children don't want to make this political—they simply want their children to get a quality education. Right now, President Clinton refuses to let that happen.

Mr. Speaker, we can not afford to fail our children. There is nothing more important than the quality of our schools and the value of the education they provide. Without opportunity, we are shortchanging our children and depriving them of any hope for a prosperous future.

The truth is, we are losing children every day to the lure of drugs and crime because inner-city schools are failing to give them the tools they need to succeed. Mr. Speaker, many of these children may still get the chance to receive the education they deserve if their parents are given the choice to send them to quality schools.

Mr. Speaker, I urge my colleagues to send the President a bill that contains opportunity scholarships. We should let those who would rather trap children in poor schools where crackpipes and drug syringes are as plentiful as pencils explain why they think choice and opportunity in education is such a bad idea.

RECOGNIZING THE NATIONAL WOMEN'S BUSINESS COUNCIL

HON. JOHN J. LaFALCE

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, September 29, 1997

Mr. LAFALCE. Mr. Speaker, as the ranking member of the Small Business Committee, I am proud that the reauthorization bill we reported contains strong support for women business owners. I am particularly delighted that our committee has reauthorized and expanded the National Women's Business Council.

As the Small Business Subcommittee Chair in the 1970's, I held a number of hearings on the unique challenges and obstacles faced by women business owners. Remembering these hearings, the late Gillian Rudd, then president of NAWBO, approached me shortly after I became chairman of the House Small Business. She said, "Congressman LAFALCE, now that you are Chairman of the full Committee, I hope you will do something what's never been done before. I hope you will take up the cause of women business owners and give them a seat at the table." That is exactly what I intended to do.

I asked Gillian to help me in preparing a series of hearings on women entrepreneurs. We searched for the best minds in the United States to learn about the business environment that was out there for women business owners. The hearings were a tremendous success, and we took our marching orders from the women who testified. We have learned that there were a number of things that Congress needed to do immediately to support the growth of women owned enterprises

First and foremost, we needed to create a National Women's Business Council to be a voice for women entrepreneurs within the Federal Government. We also knew that there would need to be an interagency task force, comprised of representatives from all the Federal agencies to work with the council in a public/private sector partnership. Finally, it was essential that we also come up with a business training program developed for women addressing their unique needs.

On the heels of receiving this information, delivered to the Small Business Committee in landmark testimony, I introduced and Congress passed H.R. 5050. That bill, the Women's Business Ownership Act of 1988, included several very important initiatives, including the creation of the National Women's Business Council. This was the first step in achieving our goals.

Now, 10 years later, we have accomplished all three of these goals. I am deeply gratified to have played a role in the establishment of all three and to see the fruits these efforts have borne. While it is so often repeated, I still think it merits mentioning just one more time. There are more than 8 million women business owners in the United States today, represented by 1,000 women's business organizations. Looking back on where we were two decades ago when this all began. I am still amazed at how the numbers of women entrepreneurs have skyrocketed. With greater growth in women's business ownership on the horizon, it is even more incumbent upon us to find ways to help these businesses succeed.

On July 21, the National Women's Business Council, in partnership with the Federal Reserve System and the Small Business Administration, held an Access to Capital and Credit Expert Policy Workshop in my district, in my hometown of Buffalo, NY. The purpose of the workshop was to make recommendations on how to expand the access to capital and credit. During this particular workshop, one of ten held around the country, we focused on the growth in western New York. The National Women's Business Council has compiled the recommendations made by the great women entrepreneurs of Buffalo and other women around the country into a report to be released tomorrow. I look forward to working with the Council on their implementation.

I have been working with the National Women's Business Council since I helped to create it in 1988. They have been an incredible resource to me and my staff. They do a wonderful job of representing women business owners around the country before Congress and the President, a task to which they have dedicated themselves wholeheartedly. The council is comprised of prominent women business owners and national women's business organizations which represent millions of women entrepreneurs nationwide. It is currently chaired by Lillian Vernon, a true American success story. These accomplished women are a resource at our disposal.

In 1988, I held a series of hearings on the problems that women entrepreneurs face—the first series of its kind—that was compiled into a report entitled "New Economic Realities: The Role of Women Entrepreneurs." In it, I said that there is a great untapped gold mine that exists within the American economy. There is a pool of talent that is so rich, that if we could tap into it and exploit it, we could unleash a windfall for the American economy. We have finally begun to do that.

HMO ABUSE

HON. FORTNEY PETE STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, September 29, 1997

Mr. STARK. Mr. Speaker, there is a lot of talk about fraud, waste, and abuse in health care. One type of fraud that does not get mentioned much—but which cheats the taxpayers and the beneficiaries out of billions of dollars a year—is the overpayment of HMO's under Medicare.

I would like to include in the RECORD a summary of a recent Prospective Payment Assessment Commission meeting, as prepared by Gray & Associates, a health consulting and reporting service. At the ProPAC meeting, the staff of this congressional advisory panel noted that the adjusted community rate data—the data that determines how much extra an

HMO must provide its enrollees in benefits and services—is suspect.

I also include a letter I have sent to the Acting Medicare Administrator regarding overpayments to HMO's. The recent Denver HMO bidding demonstration—blocked by Congress and the courts—would, if implemented nationwide, save Medicare approximately $2 billion a year while expanding the level of benefits to enrollees.

Mr. Speaker, the current system must be reformed, ASAP.

ADJUSTED COMMUNITY RATES

The adjusted community rate (ACR) is used to establish a risk contract's premium for Medicare, as well as the plan's supplemental benefits. The form filled out by plans demonstrates an actuarial equivalence between the plan's benefits and fee for service benefits, and establishes the difference that is to be returned to the Medicare program either through waived premiums, extra benefits, or actual payments back to Medicare (no one does the third option).

Staff believes that the forms could be used to glean useful cost information concerning the plans. This information could be used to determine the fairness of Medicare payment rates. However, the current reliability of the data is highly suspect, mainly because the information contained therein is not audited. In fact, staff states that some plans pick their final benefit plans, and make the numbers on the form fit the final plan. Other plans submit forms showing net losses per Medicare patient, which intuitively one knows cannot be accurate otherwise the plans would not be financially able to participate year after year in Medicare.

The BBA now requires that the ACRs be audited to ensue the quality of the data contained in them. Staff wants to take the now fairly reliable data and try to reconcile benefits packages with particular ACRs. Staff also hopes its analysis will reveal whether the new auditing requirements effect any major changes in the ACRs, which might, in turn, effect payment changes in the Medicare risk contract program.

COMMITTEE ON WAYS AND MEANS,
U.S. HOUSE OF REPRESENTATIVES,
Washington, DC, September 23, 1997.

NANCY-ANN MIN DEPARLE,
Acting Administrator, Health Care Financing Administration, Washington, DC.

DEAR NANCY-ANN: Enclosed is a page from a health care newsletter which I received today. It reports former Administrator Vladeck as saying that before the Denver demonstration was blocked, HCFA had received four bids from HMOs that would have saved Medicare 10–12% and which "would have expanded current Medicare HMO benefits without any premium charge to enrollees."

Not every newspaper report is accurate, and I have certainly been misquoted a number of times * * * but is this generally accurate? Did HCFA receive four such bids?

If so, during the Ways and Means Health Subcommittee's anti-fraud hearing on September 30th, I would like to discuss this issue as an example of waste and abuse, and I would urge you to speed the implementation of risk adjustments and audits of adjusted community rates. We need to make some immediate adjustments in HMO payment rates and/or their payment of benefits to enrollees—especially in light of the August 18 GAO report (released September 16) on the non-enrollment of the chronically ill in HMOs.

If the news report is accurate and the Denver experience could be applied nationwide, we would save at least $2 billion dollars a year in managed care payments with no decrease in benefits—or beneficiaries should be receiving substantially more. Thank you for your help with this inquiry.

Sincerely,

PETE STARK,
Member of Congress.

[From the Managed Medicare & Medicaid News]

Peter's PHO, Albany, N.Y.; Crouse Irving Memorial PHO, Syracuse, N.Y.; Chester County PHO, West Chester, Pa.; the PHO of Pennsylvania Hospital, Philadelphia; St. Barnabas Health Care System Provider Partnership, Livingston, N.J. (including St. Barnabas Medical Center, Newark Beth Israel Medical Center and Monmouth Medical Center). HCFA still is negotiating payment rates for the "Provider Partnership" test but hopes Medicare will save 5% on fee-for-service rates under the combined payments, which will be for all but a few acute care admissions [Managed Med 7/28/97]. The agency also expects bundling will help hospitals improve their Medicare margins by permitting them better control of facility use by physicians. [Info: HCFA, 202/690-6145]

HCFA's Denver-area bidding test could have saved Medicare 10–12% on Denver-area capitation payments. The figure, disclosed by ex-Administrator Bruce Vladeck, reflects four bids received by the agency before the demonstration was blocked by a federal court [Managed Med 7/14/97]. At a farewell meeting with health reporters last week, Vladeck also said that the four bids would have expanded current Medicare HMO benefits without any premium charge to enrollees. Vladeck advised that the seven competitive bidding demonstrations authorized by Congress in the final balanced budget bill [Managed Med 7/28/97] avoid markets that already have at least "a half-dozen plans and more pending" and ones where a single plan has an overwhelming market share. Poor demonstration sties also include ill-defined HMO markets in southern California and "megalopolis" centers of the Northeast, he believes.

THE TRAGEDY OF WACO DESERVES ANOTHER LOOK

HON. BOB BARR

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Monday, September 29, 1997

Mr. BARR of Georgia. Mr. Speaker, the Waco tragedy in early 1993 killed 4 Federal law enforcement agents and 76 men, women, and children, in the worst law enforcement tragedy in American history. Congressional hearings to uncover the truth of what happened at Waco, and to take steps to see that a similar tragedy never happens again, were held in mid 1995, but failed to achieve their full potential either in uncovering the truth about Waco or in taking meaningful steps to prevent a recurrence.

One of the reasons the hearings were less than fully successful, was the lack of complete information and evidence available to Members of Congress conducting the hearings. For example, much evidence at the scene of the tragedy was destroyed by the Federal Government immediately after the buildings burned to the ground. Also, important pieces of evidence, such as firearms reportedly seized by the Government, were neither objectively tested nor made available to the Congress. Continued evasion and stonewalling by the FBI and the Department of Justice continues to this day.

Recently, however, private citizens produced and released a movie, entitled "WACO: the Rules of Engagement," which is playing to limited audiences across the country. The film ought to be reviewed by every government official and law enforcement officer at the FBI, the ATF and the Department of Justice, and many at the Department of Defense. The film ought also to be required viewing for every Member of Congress, and every citizen of this country who is concerned about the dangers of militarization of domestic law enforcement in America, and who shares an interest in accountability by those clothed with the power to enforce the laws of our country.

I have reviewed this film, and find it to be a compelling and objective analysis of this tragedy known forever more as simply, WACO.

I include for the RECORD a review of this important documentary tape, which aired on September 20, 1997, on the Siskel and Ebert Show, and was reviewed in writing by Roger Ebert, on September 19, 1997, in the Chicago Sun Times. Both of these respected and widely read film critics gave "WACO: the Rules of Engagement" a thumbs up. The reason they gave it two thumbs up was that it fulfilled its purpose, which was to raise important questions in the minds of the viewers about how the U.S. Government handled the WACO tragedy. The reviewers found it to be fair, persuasive, and an important documentary. Roger Ebert found the film compellingly presented witnesses who were telling the truth and that the American people were sold a bill of goods about the Branch Davidians that wasn't necessarily true.

In his written review, Mr. Ebert also correctly noted that after reviewing the tape, it was clear the original raid staged by ATF, in which both Branch Davidians and Federal agents were killed, was simply a publicity stunt. He also found the film presented testimony from both sides and resisted efforts to take cheap shots which would have been relatively easy. The reviewer also was struck by the scenes in the film taken by FBI heat-sensitive cameras, which seemed to show, including to the reviewer, FBI agents firing into the compound even though the FBI steadfastly denies firing any shots into the compound.

The movie is a compelling documentary which very clearly raises the question of why the American people and the Congress are not demanding as loudly as possible that further investigation of this tragedy be conducted, in order to come much closer than previously to answering for those dead children and future generations of Americans why this tragedy happened. How is it that a joint operation of the ATF, the FBI, and, in some respects, our military, under the direction of the top leaders of this country, could result in the gassing and burning of dozens upon dozens of men, women, and children, and virtually no

steps resulting in accountability be taken? This matter needs to be reopened and reexamined. I commend the reviews of this movie and the film itself to all Americans.

[From the Chicago Sun-Times, Sept. 1997]

WACO: THE RULES OF ENGAGEMENT

(By Roger Ebert)

Like many news-drenched Americans, I paid only casual attention to the standoff at Waco, Texas, between the Branch Davidians and two agencies of the federal government. I came away with the vague impression that the "cult," as it was always styled, was a group of gun-toting crackpots, that they killed several U.S. agents, refused to negotiate and finally shot themselves and burned down their "compound" after the feds tried to end the siege peacefully with tear gas.

Watching William Gazecki's remarkable documentary "Waco: the Rules of Engagement," I am more inclined to use the words "religion" than "cult," and "church center" than "compound." Yes, the Branch Davidians had some strange beliefs, but no weirder than those held by many other religions. And it is pretty clear, on the basis of this film, that the original raid was staged as a publicity stunt, and the final raid was a government riot—a tragedy caused by uniformed boys with toys.

Of course I am aware that "Waco" argues its point of view, and that there is no doubt another case to be made. What is remarkable, watching the film, is to realize that the federal case has not been made. Evidence has been "lost," files and reports have "disappeared," tapes have been returned blank, participants have not testified and the "crime scene," as a Texas Ranger indignantly testifies, was not preserved for investigation, but razed to the ground by the FBI—presumably to destroy evidence.

The film is persuasive because:

1. It presents testimony from both sides, and shies away from cheap shots. We feel we are seeing a fair attempt to deal with facts.

2. Those who attack the government are not simply lawyers for the Branch Davidians or muckraking authors (although they are represented) but also solid middle-American types like the county sheriff, the district Texas Rangers, the FBI photographer on the scene, and the man who developed and patented some of the equipment used by the FBI itself to film devastating footage that appears to show its agents firing into the buildings—even though the FBI insists it did not fire a single shot.

3. The eyes of the witnesses. We all have built-in truth detectors, and although it is certainly possible for us to be deceived, there is a human instinct that is hard to fool. Those who argue against the government in this film seem to be telling the truth, and their eyes seem to reflect inner visions of what they believe happened, or saw happen. Most of the government defenders, including an FBI spokesman and Attorney General Janet Reno, seem to be following rehearsed scripts and repeating cant phrases. Reno comes across particularly badly: Either she was misled by the FBI and her aides, or she was completely out of touch with what was happening.

If the film is to be believed, the Branch Davidians were a harmless if controversial group of religious zealots, their beliefs stretching back many decades, who were singled out for attention by the Bureau of Alcohol, Tobacco and Firearms for offenses, real or contrived, involving the possession of firearms—which is far from illegal in Texas. The ATF hoped by raiding the group to repair its tarnished image. And when four of its agents, and several Davidians, were killed in a misguided raid, they played cover-up and turned the case over to the FBI, which mishandled it even more spectacularly.

What is clear, no matter which side you believe, is that during the final deadly FBI raid on the buildings, a toxic and flammable gas was pumped into the compound even though women and children were inside. "Tear gas" sounds innocent, but this type of gas could undergo a chemical transformation into cyanide, and there is a pitiful shot of an 8-year-old child's body bent double, backward, by the muscular contractions caused by cyanide.

What comes through strongly is the sense that the attackers were "boys with toys." The film says many of the troops were thrilled to get their hands on real tanks. Some of the law-enforcement types were itching to "stop standing around." One SWAT team member boasts he is "honed to kill." Nancy Sinatra's "These Boots Are Made for Walking" was blasted over loudspeakers to deprive those inside of sleep (the memory of that harebrained operation must still fill the agents with shame).

When the time came, on April 19, 1993, the agents were apparently ready to rock 'n' roll. Heat-sensitive films taken by the FBI and interpreted by experts seem to show FBI agents firing into the compound, firing on an escape route after the fires were started, and deliberately operating on the side of the compound hidden from the view of the press. No evidence is presented that those inside started fires or shot themselves. Although many dead Davidians were indeed found with gunshot wounds, all of the bullets and other evidence has been impounded by the FBI.

Whatever happened at Waco, these facts remain: It is not against the law to hold irregular religious beliefs. It is not illegal to hold and trade firearms. It is legal to defend your own home against armed assault, if that assault is illegal. It is impossible to see this film without reflecting that the federal government, from the top down, treated the Branch Davidians as if those rights did not apply.

"WACO: THE RULES OF ENGAGEMENT" REVIEW

(By Siskel & Ebert)

GENE SISKEL: The United States Congress investigates the debacle that four years ago killed 76 men, women, and children who belonged to the Branch Davidian religious sect based in Waco, Texas in a new documentary called "Waco," which clearly attempts to establish that the agents from the FBI and the Bureau of Alcohol, Tobacco, and Firearms lied to Congress and the American people, and needlessly harassed and ultimately murdered religious worshippers. To start with, the FBI claims that they fired no shots at the Branch Davidians. But the documentary has hired experts who argue otherwise, based on looking at surveillance tapes.

GENE: The documentary also argues that the FBI acted out of a macho, don't-trifle-with-us posture toward the Branch Davidians after, to be sure, a two-month standoff.

GENE: Singled out for scorn is the then-new Attorney General of the United States, Janet Reno who, the film argues, let the FBI run wild, and crucially walked away from responsibility by choosing to give a speech in nearby Baltimore rather than stay in her office and supervise the FBI's invasion of the Davidian compound.

GENE: "Waco: The Rules of Engagement"—that's the full title of this documentary—it's fascinating in the way it argues that the FBI acted irresponsibly. Would the documentary be stronger if the FBI had been allowed to argue its own case? Yes, definitely yes. But this is clearly an advocacy piece of filmmaking, and it certainly raised plenty of questions in my mind about how our government handled the Waco tragedy. Thumbs up from me.

ROGER EBERT: Thumbs way up for me, too. And you know, although it does have a particular point of view, it tries to be fair. It does show information from both sides, but the defenders of the government positions are inarticulate, they are clearly I think not saying everything that they're thinking or that they know, and they're hewing to a party line. You can look in the eyes of the people in this film and tell who you feel is telling the truth and who isn't. And what it amounts to here is that the American people were sold a bill of goods about the Branch Davidians what wasn't necessarily true, that these people were demonized...

GENE: Yes.

ROGER:..in a way that wasn't accurate. And then "boys with toys," Gene.

GENE: Yeah, I know.

ROGER:...all those guys who never got a chance to drive a tank before, and who were excited and ready to go. Like that guy who says, "I'm honed to kill, I'm honed to kill." They just couldn't wait to start shooting.

GENE: Well, that's why this is an important documentary in addition to just the case that it deals with. Two things: one, the macho element. Hey, If you're on point for two months, you're going to want to shoot something if you haven't been able to! That's telling us something. And the other one, and I think this is the most interesting one, is how we learn from the media. The fault, ultimately—and I'll pick myself okay?—is that I wasn't as plugged in to this story as I should have been, because I'm getting sometimes a headline service...

ROGER: But of course, at the time there was no information available about the other side! And now, when you see this film, what's interesting as if you're looking for people who are unbalanced zealots...

GENE: Right.

ROGER:... you don't find them among the Branch Davidians, you find them among the FBI and Alcohol, Tobacco, and Firearms; those are the people in this movie who deserve to be feared, I think.

GENE: Well, but what I'm saying is that when we do these religious cult stories, when the media does these stories, then they better do a little bit harder reporting. I think that's one of the things you take out.

ROGER: Yeah, well, they should stay away from the trigger words like "cult" and "compound." How about calling it a "religious group and their church?" That would have changed the entire perception of what went on.

GENE: Because to me the stunner is who was in that compound. Weren't those . . .

ROGER: Sensible . . .

GENE: Seemed like it.

ROGER: * * * sincere people who were not under the hypnotic leadership . . .

GENE: This is not Jim Jones, and the film makes the Guyana story, repeatedly makes that comment.

THE CRITICS' JOINT COMMENT FROM THE SUMMARY PORTION OF THE PROGRAM

GENE: Two thumbs up for the shocking documentary "Waco: The Rules of Engagement," a special motion picture.

ADDITIONAL, INDIVIDUAL COMMENTS

GENE: So we do have some young filmmakers here, but the real discovery is "Waco."

ROGER: This movie is moving around the country. They are sometimes having discussions after it. I think that anyone who thinks they know what happened at Waco has another thing coming.

SENATE COMMITTEE MEETINGS

Title IV of Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules Committee—of the time, place, and purpose of the meetings, when scheduled, and any cancellations or changes in the meetings as they occur.

As an additional procedure along with the computerization of this information, the Office of the Senate Daily Digest will prepare this information for printing in the Extensions of Remarks section of the CONGRESSIONAL RECORD on Monday and Wednesday of each week.

Meetings scheduled for Tuesday, September 30, 1997, may be found in the Daily Digest of today's RECORD.

MEETINGS SCHEDULED

OCTOBER 1

9:00 a.m.
Appropriations
Labor, Health and Human Services, and Education Subcommittee
To hold hearings to examine the results of the nationwide study by the National Cancer Institute of Radioactive Fallout from Nuclear Testing.
SD–192

9:30 a.m.
Commerce, Science, and Transportation
To hold hearings on the nomination of William E. Kennard, of California, to be a Member of the Federal Communications Commission.
SR–253

10:00 a.m.
Armed Services
To hold hearings on the nomination of Jacques S. Gansler, of Virginia, to be Under Secretary of Defense for Acquisition and Technology.
SR–222

Foreign Relations
Near Eastern and South Asian Affairs Subcommittee
To hold hearings to examine recent events in Algeria.
SD–419

Governmental Affairs
To continue hearings to examine certain matters with regard to the committee's special investigation on campaign financing.
SH–216

Judiciary
To hold hearings to examine Congress' constitutional role in protecting religious liberty.
SD–226

Labor and Human Resources
To hold hearings to examine voluntary initiatives to expand health insurance coverage.
SD–430

Rules and Administration
Closed business meeting, concerning petitions filed in connection with a contested U.S. Senate election held in Louisiana in November 1996.
SR–301

2:00 p.m.
Energy and Natural Resources
National Parks, Historic Preservation, and Recreation Subcommittee
To hold hearings on S. 940, to provide for a study of the establishment of Midway Atoll as a national memorial to the Battle of Midway, and H.R. 765, to ensure maintenance of a herd of wild horses in Cape Lookout National Seashore.
SD–366

Select on Intelligence
To hold hearings on the nomination of Lt. Gen. John A. Gordon, USAF, to be Deputy Director of Central Intelligence.
SD–106

OCTOBER 6

10:00 a.m.
Governmental Affairs
Permanent Subcommittee on Investigations
To hold hearings to examine traditional frauds perpetrated over the Internet.
SD–342

OCTOBER 7

9:00 a.m.
Agriculture, Nutrition, and Forestry
To hold hearings on proposed legislation relating to food safety.
SR–332

10:00 a.m.
Banking, Housing, and Urban Affairs
Securities Subcommittee
To hold joint hearings with the Committee on Finance's Subcommittee on Social Security and Family Policy and Subcommittee on Health Care to examine investment based alternatives to the current pay-as-you-go method of financing Social Security and Medicare.
SD–215

Finance
Social Security and Family Policy Subcommittee
To hold joint hearings with the Committee on Finance's Subcommittee on Health Care and the Committee on Banking, Housing, and Urban Affairs' Subcommittee on Securities to examine investment based alternatives to the current pay-as-you-go method of financing Social Security and Medicare.
SD–215

Finance
Health Care Subcommittee
To hold joint hearings with the Committee on Banking, Housing, and Urban Affairs' Subcommittee on Securities and the Committee on Finance's Subcommittee on Social Security and Family Policy to examine investment based alternatives to the current pay-as-you-go method of financing Social Security and Medicare.
SD–215

Foreign Relations
To hold hearings to examine the strategic rationale for NATO enlargement.
SD–419

Governmental Affairs
To resume hearings to examine certain matters with regard to the committee's special investigation on campaign financing.
SH–216

Labor and Human Resources
To hold hearings on the nomination of Charles N. Jeffress, of North Carolina, to be an Assistant Secretary of Labor.
SD–430

2:00 p.m.
Energy and Natural Resources
Water and Power Subcommittee
To hold hearings on S. 725, to direct the Secretary of the Interior to convey the Collbran Reclamation Project to the Ute Water Conservancy District and the Collbran Conservancy District, S. 777, to authorize the construction of the Lewis and Clark Rural Water System and to authorize assistance to the Lewis and Clark Rural Water System, Inc. a nonprofit corporation, for the planning and construction of the water supply system, H.R. 848, to extend the deadline under the Federal Power Act applicable to the construction of the AuSable Hydroelectric Project in New York, H.R. 1184, to extend the deadline under the Federal Power Act for the construction of the Bear Creek Hydroelectric Project in the State of Washington, and H.R. 1217, to extend the deadline under the Federal Power Act for the construction of a hydroelectric project in the State of Washington.
SD–366

OCTOBER 8

9:30 a.m.
Energy and Natural Resources
To hold hearings on S. 1064, to amend the Alaska National Interest Lands Conservation Act to more effectively manage visitor service and fishing activity in Glacier Bay National Park.
SD–366

Indian Affairs
To hold hearings on the proposed settlement between State Attorneys General and tobacco companies, focusing on the proposed Indian provision.
SR–485

10:00 a.m.
Governmental Affairs
To continue hearings to examine certain matters with regard to the committee's special investigation on campaign financing.
SH–216

Labor and Human Resources
To hold hearings on the nomination of David Satcher, of Tennessee, to be Assistant Secretary of Health and Human Services and Medical Director and Surgeon General of the Public Health Service, Department of Health and Human Services.
SD–430

OCTOBER 9

9:30 a.m.
Labor and Human Resources
Public Health and Safety Subcommittee
To hold hearings to examine the National Institutes of Health clinical research.
SD–430

10:00 a.m.
Governmental Affairs
To continue hearings to examine certain matters with regard to the committee's special investigation on campaign financing.
SH–216

2:00 p.m.
Energy and Natural Resources
National Parks, Historic Preservation, and Recreation Subcommittee
To hold oversight hearings on the feasibility of using bonding techniques to finance large-scale capital projects in the National Park System.
SD–366

OCTOBER 21

9:30 a.m.
Labor and Human Resources
To hold hearings on S. 1124, to amend title VII of the Civil Rights Act of 1964 to establish provisions with respect to religious accommodation in employment.
SD–430

OCTOBER 22

9:30 a.m.
Labor and Human Resources
Business meeting, to consider pending calendar business.
SD–430

Indian Affairs
To hold hearings on S. 1077, to amend the Indian Gaming Regulatory Act.
Room to be announced

OCTOBER 23

10:00 a.m.
Labor and Human Resources
To hold hearings on S. 869, to prohibit employment discrimination on the basis of sexual orientation.
SD–430

OCTOBER 27

2:00 p.m.
Labor and Human Resources
Public Health and Safety Subcommittee
To hold hearings to examine proposals to deter youth from using tobacco products.
SD–430

OCTOBER 28

10:00 a.m.
Labor and Human Resources
To resume hearings to examine an Administration study on the confidentiality of medical information and recommendations on ways to protect the privacy of individually identifiable information and to establish strong penalties for those who disclose such information.
SD–430

OCTOBER 29

9:30 a.m.
Indian Affairs
To resume oversight hearings on proposals to reform the management of Indian trust funds.
Room to be announced

OCTOBER 30

10:00 a.m.
Labor and Human Resources
To hold hearings to examine recent developments and current issues in HIV/AIDS.
SD–430

CANCELLATIONS

OCTOBER 2

10:00 a.m.
Governmental Affairs
To continue hearings to examine certain matters with regard to the committee's special investigation on campaign financing.
SH–216